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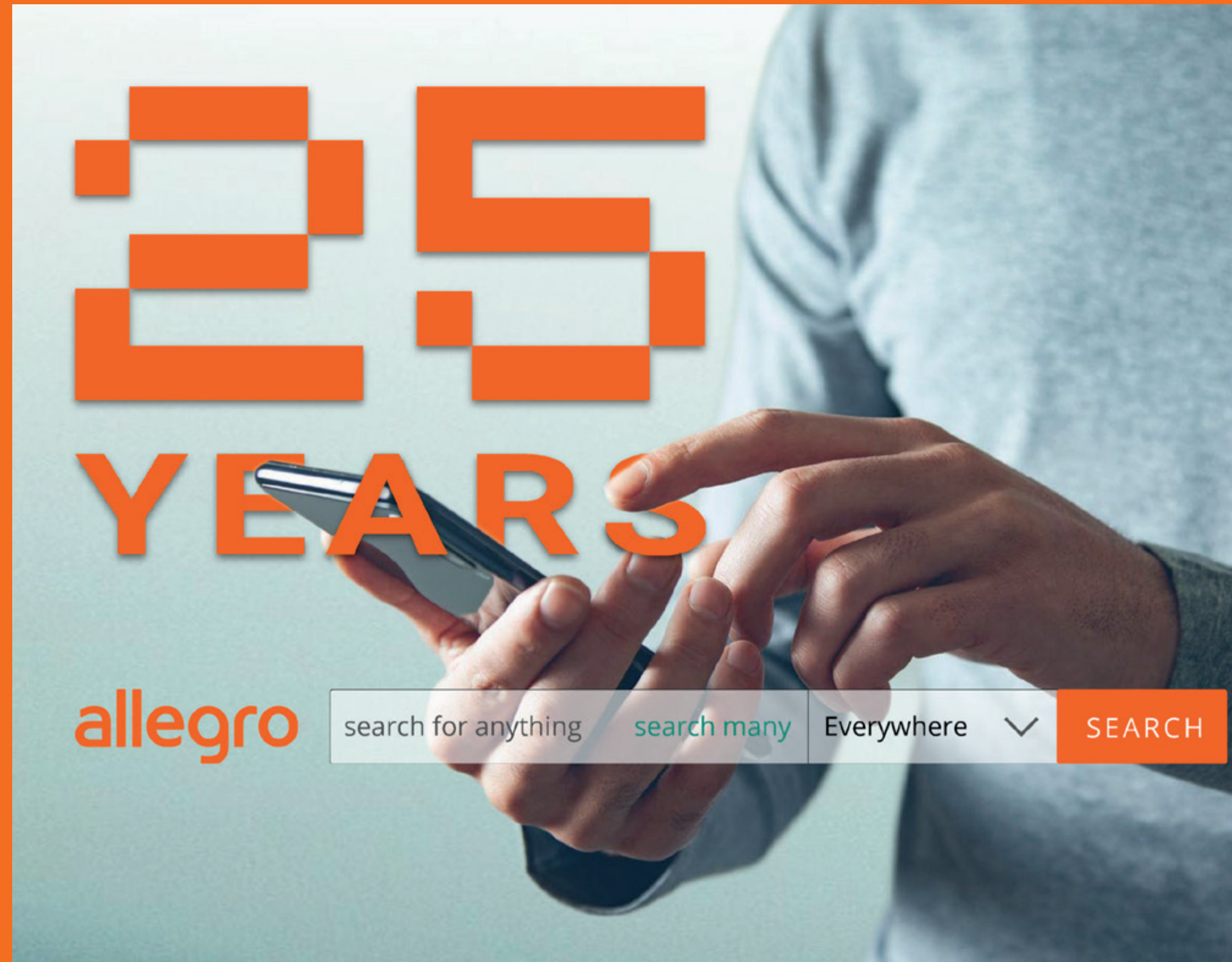
ANNUAL REPORT OF ALLEGRO.EU S.A. GROUP

for the year ended 31 December 2024



allegro

MANAGEMENT REVIEW



Letter from the Chairman

Dear shareholders,

Having been elected as your Chair in June 2024, I am pleased to issue my first Chair's report. 2024 represents another year of progress for Allegro. Our core marketplace remains the foundation for Allegro's success and customer loyalty remains the company's key differentiator. We are doubling down on optimising the customer journey, focusing on ease of use, and ensuring the authenticity of all offerings in our marketplace for all our customers. We are also keenly focused on ensuring a valuable and mutually beneficial relationship with our merchant partners, whether long-experienced or new to Allegro, whether Polish or international.

Allegro continues to progress its ambitions by increasingly investing in our growth engines. Our advertising platform is gaining traction as a result of our increased focus, thereby diversifying our revenue streams. Continuous investment in seamless fintech solutions enhances the customer experience and drives transaction volume and value. When it comes to delivery, we have developed great, carrier-agnostic software to manage consumers' delivery experience. Increasingly, we are managing those deliveries ourselves, whether using our own expanding capabilities at Allegro One or by working with deeply integrated delivery partners. Over time, we expect this push towards Allegro-managed delivery to bring us cost and performance benefits, delighting the consumers with fast and convenient, and most often free deliveries, but also mitigating the single biggest cost headwind to our financial performance.

While the pace of our progress towards profitability in our International rollout is slower than we would have wished, we are gaining significant knowledge and experience on the optimal route to success with our marketplace proposition. Allegro has introduced its marketplace platform to two new countries in 2024, making it three new markets in the last eighteen months. Each new entry experience has been successively improved upon in terms of elapsed time to entry and the upfront entry costs. We are now focusing on achieving our objectives in terms of customer and merchant recruitment, cost-effective market share growth, and a clear route to profitability before entering further markets. This focus also encompasses the completion of the Mall turnaround.

Allegro continues to invest in its state-of-the-art technology platform ensuring efficient, safe and secure transacting across Allegro's increasing range of customer offers and merchant support. In an era of extensive commentary on Artificial Intelligence (AI) from both a positive and negative perspective, our technology experts are continuing to build on their significant knowledge and understanding of the potential for all our stakeholders from these exciting developments. Allegro's in-house machine-learning processes are already helping to streamline search, materially improving translation accuracy and scoring models, thereby boosting reliability and customer trust.

Gary McGann

Chairman of the Board
of Allegro.eu SA



Your board continues to evolve in its journey to a best-in-class public company model. The range of knowledge and experience across relevant subject areas continues to grow and is something we will continue to pursue as we add to our board membership. Allegro believes in the significant value to all our constituents from our progressive work in ESG. That is why we decided to form a separate Board ESG Committee under the chairmanship of Catherine Faiers. This will facilitate the executives and the committee members having more focused strategic and performance-enhancing conversations about how Allegro can optimise its positive impact on the environment while delivering progressive financial results. It can also ensure that Allegro remains a leader in attracting top-performing, diversified talent. We now have three Allegro Board Committees. As well as the ESG Committee chaired by Catherine, we have the Remuneration and Nomination Committee chaired by Nancy Cruickshank and the Audit and Risk Committee chaired by Laurence Bourdon-Tracol. This Annual Report contains reports from each of these Chairs on their committee's area of responsibility, outcomes for the year, and focus for the future.

As I present my first Chair letter to you as shareholders, let me thank you for your investment in Allegro. We are very mindful of our commitment to you to maximise shareholder value while respecting the best interests of all our stakeholders. Our capacity to deliver on these obligations is due to our extremely hardworking, ambitious and talented team of people who work for Allegro. I thank them for their great commitment and effort over the last year, reflected in our expanding GMV as well as increased profitability.

Our outgoing CEO Roy Peticucci has made a significant contribution to Allegro's progress. He has increased operating efficiency and driven cash flow, significantly strengthening our balance sheet and improving our platform for growth. Under his leadership, we have launched our marketplace model internationally and have developed our capabilities in key growth engines. When he steps down as CEO, we have agreed that Roy will remain as Special Adviser to Allegro, thereby maintaining access to his vast experience in the industry.

On your behalf, I thank Roy for his contribution, and I wish him well for the future. I can confirm that we are making good progress in our search for a new CEO who will lead the company and the team in its growth ambitions.

As a result of the strong performance of Allegro over the last few years, the finances are now in very good shape. We are happy that our current leverage is in a range we consider optimal for the company. Our confidence in future growth and our current relative balance sheet strength allow us to have adequate financial capacity to sustainably re-invest in our current core business and engines of growth. We have the firepower to opportunistically invest in relevant adjacencies to our core business; and as and when it is opportune, to make appropriate returns to shareholders. We will make the first such return to shareholders by way of a share buyback programme this year, subject to your approval as shareholders at our AGM in June. Thank you for your continued support of Allegro.

[1] Sorted by traffic. Source: company information, SimilarWeb.

Letter from the CEO

Dear shareholders,

We fully achieved our financial outlook for 2024 and continued improving the profitability of our businesses. We are in very good financial shape as we commence the new year. Allegro's Polish GMV grew over three times faster than retail sales overall. GMV exceeded PLN 60bn just in time for our twenty-fifth birthday in early December. Leverage for the group fell to a very healthy 0.77x thanks to a 0.51 pp improvement in the Polish EBITDA to GMV margin (to 5.91% or PLN 3.5bn in quantum terms). We added two new marketplaces last year and in total, our platforms in Czechia, Slovakia, and Hungary increase our addressable market by 26 million potential customers.

Customer loyalty is a theme that I mention every year and this year is no exception. Customers in our region are gaining more and more choice online. Omni-channel retailers and Chinese low-cost e-commerce players are bringing increased sophistication to their shopping experiences. We are part of that trend too. We know that customer loyalty (the frequency with which shoppers buy from our site) is the single largest driver of growth. As we have improved both Smart! programme rewards and the way we communicate their value, membership has grown. SMART! now has over 8 million members, more than one million of whom outside Poland. Smart! users shop with us five times more often than non-members, while merchants who participate in the programme enjoy sales that are two and a half times higher than merchants who don't.

We are in a business of simplifying e-commerce everywhere we go. We continue to grow the size of our selection, particularly from merchants local to each of our marketplace countries. The number of merchants grew by 12% last year to 167 thousand. However, we appreciate that more choice can lead to "cognitive overload", so we are tenacious at keeping things simple for customers. We have introduced a series of innovations in navigation, search, and presentation that improve the ease with which customers can find what they want. A good example of this is our full transition from an "offer-based" to a "product-based" view that was completed in the last quarter and has resulted in higher conversion. More and more users shop with us via our mobile app — the most popular shopping app in Poland — with purchase conversion twice as high as via mobile web. To further engage customers, we run special offers and discounts exclusive to Smart! members who use this channel. Our active buyer base rose to just under 21 million overall, with over 15 million in Poland. Allegro Pay is another way we increase frequency. More than 2 million users of Allegro Pay spend over a third more with us and the share of GMV supported by this product has risen to 13.9%. Overall, we originated PLN 10.8bn in loans last year – the dimensions similar to leading Polish banks. We want to keep things simple for merchants too and have reduced mandatory fees to a single sales commission.

Roy Perticucci

Allegro Group Chief
Executive Officer



We added Slovakia and Hungary to our marketplace, doubling the number of countries we serve with the same software and the same teams (with no expansion-related increases in central headcount). The number of International Segment active buyers has doubled to 3.3 million year-on-year. There are now just under 70 thousand merchants selling in Czechia, Slovakia, and Hungary. Quarterly Czech and Slovak merchant sales doubled in Q4, reflecting the greater access to larger markets that Allegro offers. Czech merchants typically treble their sales when they choose to list their products outside their home market. The number of merchants selling cross-border rose by a third in Q4. Mall Group losses remained relatively unchanged year-on-year in Q4 despite a 55% reduction in GMV, thanks to decrements in legacy software, rightsizing and selection optimisation. We will complete Mall's transformation into a lean marketplace merchant this year. We expect the business to be cash-positive in 2026. Despite these successes, we will stick to the four-country marketplace perimeter until we complete the transition to a common software stack everywhere and deliver further improvements to our international cost base and overall customer shopping experience.

I have written to you in previous letters that our highly successful "Fit to Grow" cost reduction programme would be just the starting point for building a company mindset for continuous improvement and innovation. SG&A (Selling, General & Administrative) costs expressed as a percentage of GMV have remained effectively constant at 2.64% (versus 2.51% in 2023 and 2.65% in 2022) despite substantial growth in new areas such as advertising, fintech, and logistics. Our core DNA of using technology to improve the customer experience and reduce costs continues, with our solutions increasingly involving Artificial Intelligence. Allegro Pay is a case in point. It now takes us less than seven seconds to approve a loan after just a few customer keystrokes – no lengthy and complicated applications to complete. The accuracy of scoring models keeps default rates well below 1%, significantly lower than consumer lending averages.

Allegro has over one hundred AI experts, including researchers and data scientists, who are creating state-of-the-art AI capabilities for our business. Many publish papers at top AI research conferences. They developed in-house the Allegro Translation Engine which enabled Allegro's rapid expansion into Czechia, Slovakia, and Hungary. The engine beats the quality of the best commercially available systems at a fraction of their costs. Our company has led the development of the first advanced language models for Polish, enabling the development of a customer service automation handling capacity equivalent to over 100 customer service specialists. This has improved user experience simultaneously thanks to precise and immediate help.

We deployed a range of AI-based search and recommendation models trained on our unique data, positively impacting conversion and GMV. Leveraging these AI models allows Allegro Ads to constantly improve relevance and targeting precision. Our award-winning AI-driven Ad slot allocation system (Kapitan) makes the most out of our on-site traffic, balancing ads monetisation potential with the best search experience. Revenue from advertising grew by around a third, one and a half times faster than our overall annual revenue growth for Poland, underlining its position as one of our growth engines.

We continue to work on controlling costs and improving productivity in other ways as well. We originate a very substantial chunk of parcel volumes in Poland, and we are now shifting our focus toward using the power of these volumes to control unit costs. “Brandless Courier” allows us to choose between couriers to achieve the optimal shipping method in terms of speed, reliability, and cost for deliveries to customers’ homes. Allegro Delivery, our latest innovation, has substantially increased the number of APMs (lockers known as Automated Parcel Machines) from which a customer can select with a single click. We initially launched this service with our own Allegro One Box and Orlen Paczka locker networks. When DHL joins the network early in 2025, customers will be able to pick from more than 16 thousand conveniently located lockers in addition to the 9,000 DPD machines and 25 thousand InPost lockers separately offered. We expect more carrier partners to join the programme in the future. Allegro added more than 1,000 of its own lockers in Poland last year for a total of more than 4,500, but focused on raising their utilisation threefold over the last two years. We also opened around five hundred One Box APMs in the burgeoning Czech market. As a result, we have made substantive progress towards establishing control over Allegro-generated parcel volumes. The share of the pace of volumes managed through Allegro Delivery and Brandless Courier has increased by nearly five times in 2024 to almost 25% of our total parcel volume in Q4. Roughly 6% of the total volume was handled by Allegro’s in-house delivery operations. We expect the shares of both our own shipping methods and our internal capabilities to continue to rise this year as we continue to optimise costs.

The volume growth combined with heightened attention to operational processes means that the unit cost of our in-house shipping methods is very close to and sometimes better than what we pay external logistics providers. With full contractual indexation for 2025, InPost is expected to be more expensive than One Box at EBITDA level by the end of 2025 while challenger networks are offering great win-win deals as well. This focus has not come at the expense of delivery reliability. On-time delivery before Christmas averaged above 99% in all countries served. The order cut-off for pre-Christmas deliveries was extended to our all-time best of 11:00 on December 23.

The “fuel” of all our successes and ambitions is, of course, people. We have updated you every quarter on our “Nine Priorities” but we have not spent much time describing our ambition to be the “Talent Factory” for our region. Our Polish home is rich in talent. We have invested considerable time in refining the way we recruit so that we do not only identify established track records but also growth potential. The process is both rigorous and objective, involving several managers, objective skills testing and an evaluation of past decisions against our leadership framework called “The Allegro Way.” We continue to make great strides towards filling entry-level positions straight out of top local universities through our Campus recruiting programme. Our Performance and Career Development processes are continuously tuned every year to filter for rising stars and fill as many vacancies from within.

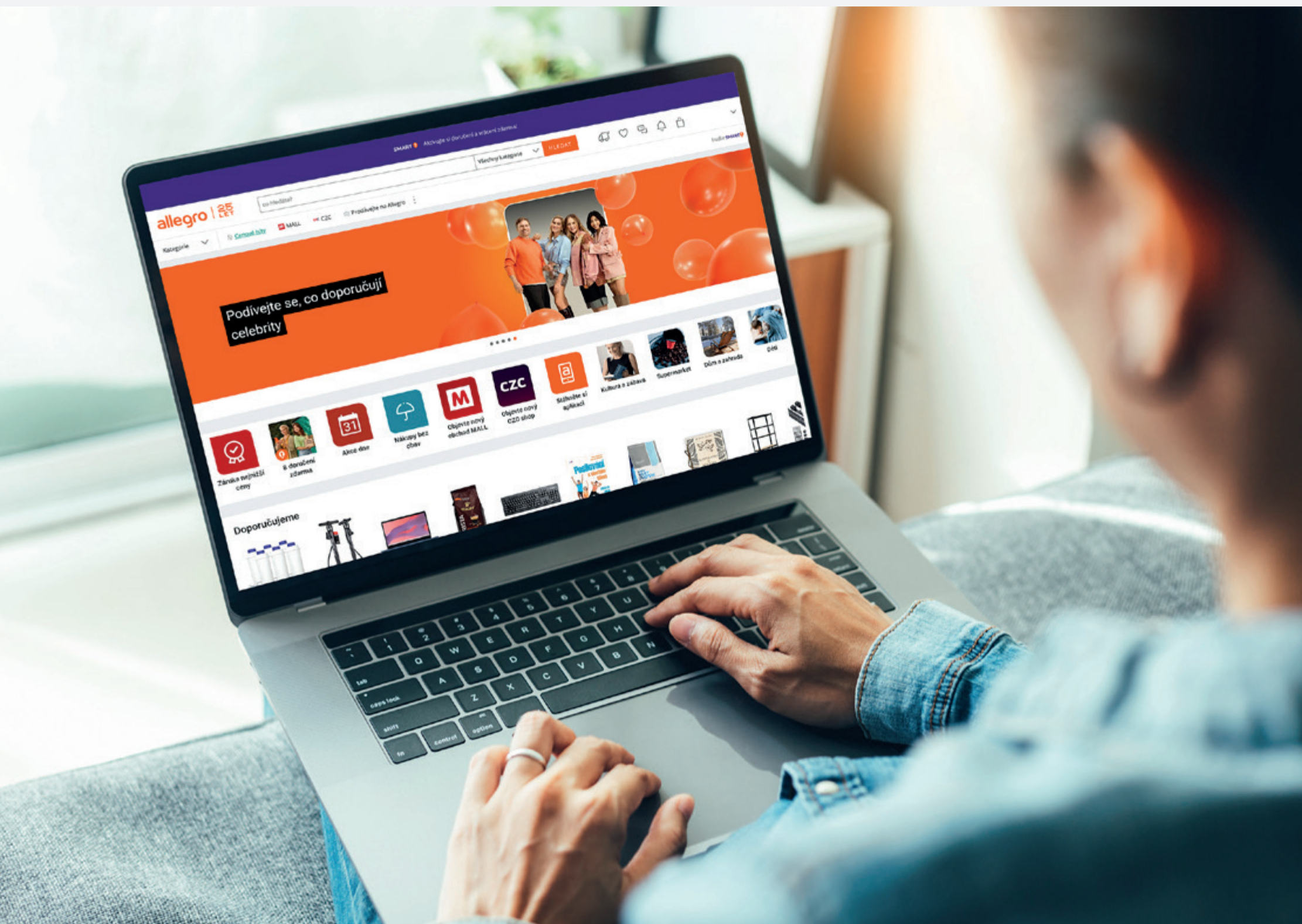
Nearly 40% of our workforce in Poland is made up of IT talent, driving innovation and creating essential digital competencies that are crucial for the future. We are proud to support women in tech and entrepreneurship through initiatives like the TOP WOMEN in e-business program, helping women start their own digital businesses, and the Kobieta e-Commerce competition, which honours outstanding female entrepreneurs. Additionally, Allegro is a key partner of the Perspektywy Women in Tech Summit, where our employees mentor and share expertise.

As you have read, we continue to make progress towards our ultimate goal of being Europe’s most successful e-commerce business, yet there is growing awareness of the complexities of founding and building businesses here. Asia has online giants like Pinduoduo and Tencent, and North America is the home of others like Amazon, Google, Meta, or Apple. In contrast, Europe online is best known for GDPR, GPSR, CSRD or DAC7. Allegro will have to implement no less than 36 separate EU acts by the end of 2026. This is not to detract from our full support for the very good intentions behind most of these regulations. We lead our region in adopting and reporting on all of them. We have received awards and widespread public recognition for our efforts. However, EU legislators should reflect on whether the burdens of regulation in e-commerce are disproportionately borne by the businesses native to Europe that are typically much smaller than their non-European competitors.

Our priority is to work through these impediments and implement our successful marketplace throughout the continent. We want to accelerate sales on

our international marketplaces and deliver low double-digit annual GMV growth in Poland. We are also stepping up our target margin range for Poland, as driving organic and profitable growth remains Allegro’s key midterm objective. Allegro is targeting leverage at a very comfortable level of 1x net debt to Adjusted EBITDA to remain flexible in terms of any potential investments. At the same time, we plan to return surplus capital to shareholders via share buybacks, with decisions to be made year to year. We feel we are one of the best bets to become a European-founded and pan-European online marketplace. As Allegro turns twenty-five, we help generate 1% of Poland’s GDP and support 1% of Polish employment and we are doubling down on our vision to become Europe’s most loved shopping destination.

We enjoy unmatched brand awareness in our Polish home and rapidly growing recognition of our new marketplaces. I have been lucky to lead Allegro through its transition from national champion to a financially strong regional player, and I wish it continued success.



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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.
"9M"	Nine-month period ended 30 September for a given year.
"AGM"	Annual General Meeting
"AIP"	Allegro Incentive Plan.
"Allegro"	Allegro sp. z o.o.
"Allegro International Segment"	Segment covering business-to-consumer (B2C), trading on territory of the Czech Republic, Slovakia and Hungary, comprising the online marketplace and relevant services such as consumer lending and logistics operations (includes Allegro.cz, launched in Q2'23, Allegro.sk, launched in Q1'24 and Allegro.hu, launched in Q4'24, trading conducted by the Allegro sp. z o.o. legal entity).
"Allegro Pay"	Allegro Pay Sp. z o.o.
"APMs" or "Lockers"	Automated Parcel Machines.
"Baas"	Banking-as-a-Service.
"BNPL"	Buy Now Pay Later.
"Board"	Board of Directors of Allegro.eu
"Ceneo.pl"	Ceneo.pl sp. z o.o.
"CEE"	Central and Eastern Europe.
"CE-5"	Five countries in Central Europe where Mall Group operates: Croatia, Czech Republic, Hungary, Slovakia, Slovenia.
"Cinven"	Depending on the context, any of, or collectively, Cinven Partnership LLP, Cinven Holdings Guernsey Limited, Cinven (Luxco 1) S.A. and their respective "associates" (as defined in the UK Companies Act 2006) and/ or funds managed or advised by any of the foregoing.
"Company" or "Allegro.eu"	Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the RCS under number B214830.
"CPC"	Cost Per Click.

"CZK"	Czech koruna, the lawful currency of the Czech Republic.
"eBilet"	eBilet Polska Sp. z o.o.
"EC"	European Commission.
"EU"	European Union.
"FY"	A financial year of the Group ending on 31 December of the relevant calendar year
"GMV"	Gross merchandise value.
"Group" or "Allegro Group"	Allegro.eu and its consolidated subsidiaries.
"IAS"	International Accounting Standards as adopted by the EU.
"IFRS"	International Financial Reporting Standards, as adopted by the EU.
"IPO"	The initial public offering of the shares of the Company on the WSE.
"International Operations"	Sum of "Mall Segment" and "Allegro International Segment", after inter-segment eliminations.
"IT"	Information Technology.
"Items sold"	The sum of all items of product sold on the marketplace over a period of time. For example, a purchase of two units of a specific product from a seller in a single purchase transaction is counted as two items.
"H1"	First half of a given year, six-month period ended 30 June.
"H2"	Second half of a given year, six-month period ended 31 December.
"Key Managers"	Person Discharging Managerial Responsibilities, jointly: Members of the Board of Directors of Allegro.eu, Management Board Members of Allegro.
"Lockers" or "APMs"	Automated Parcel Machines.
"LTM"	Last twelve months. Represents twelve months preceding the end of a period.
"Luxembourg"	The Grand Duchy of Luxembourg.
"Mall Group"	Mall Group a.s., including its operating direct and indirect subsidiaries.

"Mall Group Acquisition"	Acquisition of the Mall Group a.s. and WE DO CZ s.r.o., announced on 4 November 2021 and closed on 1 April 2022.
"Mall Segment"	Allegro Retail a.s. (previously Mall Group a.s.) and its operating direct and indirect subsidiaries: – on 1 January 2024 the following subsidiaries of Mall Group were merged: Internet Mall a.s., AMG Media a.s, CZC.cz s.r.o., WE DO CZ s.r.o., whereby Internet Mall a.s. was a surviving company and changed its business name into Allegro Retail a.s.; – on 1 October 2024 Allegro Retail a.s. merged with Mall Group a.s., whereby Mall Group a.s. was the surviving company and changed its business name into Allegro Retail a.s.; – the following companies continued to operate during 2024 as subsidiaries of adequately Mall Group or Allegro Retail: Internet Mall Slovakia s.r.o., WE DO SK s.r.o. (both companies merged into Allegro Slovakia s.r.o. as of 1 January 2025), Internet Mall Hungary Kft., m-HU Internet Kft., Mimovrste d.o.o., Internet Mall d.o.o. These entities comprise the "Mall Segment" reportable in the Group's financial statements for FY 2024.
"MOV"	Minimum order value necessary to receive a service or a discount.
"N/A"	Not applicable.
"NDD"	Next Day Delivery.
"OCCP"	Office of Competition and Consumer Protection (in Polish: Urząd Ochrony Konkurencji i Konsumentów, UOKiK).
"Permira"	Depending on the context, any of, or collectively, Permira Holdings Limited, Permira Credit Managers Limited, Permira Advisers (London) Limited, Permira Advisers LLP and each of Permira Holdings Limited's subsidiary undertakings from time to time, including the various entities that individually act as advisers or consultants in relation to the funds advised and/or managed by Permira.
"PLN" or "złoty"	Polish zloty, the lawful currency of Poland.
"Poland"	The Republic of Poland.
"Polish Operations"	Allegro.eu S.A., Allegro Treasury S.à r.l. and its consolidated subsidiaries operating in Poland, being the sum of "Allegro", "Ceneo" and "Other" reportable segments, after inter-segment eliminations: Allegro Sp. z o.o. , Allegro Pay sp. z o.o., Allegro Finance sp. z o.o., Opennet.pl sp. z o.o. and SCB Warszawa sp. z o.o. together form the "Allegro segment"; Ceneo.pl Sp. z o.o. forms the "Ceneo segment"; Allegro Treasury S.à r.l., Allegro.eu S.A. and eBilet Polska Sp. z o.o. together form the "Other segment".
"pp"	Percentage points.
"PPA"	Purchase Price Allocation.
"PPC"	Pay Per Click.
"PSU"	Performance Share Unit plan which represents part of AIP.

"Q1"	First quarter of a given year, a three-month period ended 31 March.
"Q2"	Second quarter of a given year, a three-month period ended 30 June.
"Q3"	Third quarter of a given year, a three-month period ended 30 September.
"Q4"	Fourth quarter of a given year, a three-month period ended 31 December.
"QoQ"	Quarter over quarter, i.e. sequential quarterly change.
"RCS"	Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg).
"Report"	This annual report of the Company for the year ended 31 December 2024.
"RSU"	Restricted Stock Unit plan which represents part of AIP.
"SDG"	Sustainable Development Goals
"Senior Managers"	Individuals, in addition to the Board of Directors, considered relevant to establishing that the Group has the appropriate expertise and experience for the management of the business.
"Significant Shareholders"	Cidinan S.à r.l., representing the interests of Cinven & Co-Investors, Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors and until 10 October 2023 Mepinan S.à r.l., representing the interests of Mid Europa Partners Funds. From 10 October 2023, Mepinan S.à r.l. is no longer considered a Significant Shareholder following a share disposal that resulted in their stake falling to below 5% of shares in the Company.
"SPA"	Share Purchase Agreement
"UOKiK" or "OCCP"	Polish Office for Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów).
"VPPA"	Virtual Power Purchase Agreement, a contract structure in which a power buyer agrees to purchase a project's renewable energy for a pre-agreed price.
"WE DO"	The Group's B2C Home Delivery and Locker business operating in the Czech Republic and Slovakia, acquired as part of the Mall Group Acquisition, and part of WE DO CZ s.r.o and its operating subsidiary WE DO SK s.r.o. (on 1 January 2024 WE DO CZ s.r.o. merged into Allegro Retail a.s., with WE DO SK s.r.o. as an operating subsidiary of Allegro Retail a.s., while on 1 January 2025 WE DO SK s.r.o. merged with Internet Mall Slovakia s.r.o. into Allegro 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.
"YTD"	Year-to-date.
"YoY"	Year over year.

This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

2.

Introduction

This is the report relating to the financial year ended 31 December 2024 of Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830. This Report summarises consolidated financial and operating data of Allegro.eu and its subsidiaries.

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

From 01 April 2022, the Allegro.eu Group includes also the Mall Group, an e-commerce platform across Central and Eastern Europe and WE|DO, a last mile delivery business. Mall Group operates as an online retailer, using three different brands across multiple shopping verticals in the Czech Republic, Slovakia, Slovenia, Hungary, Croatia, and Poland. WE|DO

provides last mile distribution services in the Czech Republic and Slovakia, counting the Mall Group as one of its key customers. Both Mall Group and WE|DO have been acquired as 100% subsidiaries of Allegro. Together they form the "Mall Segment" of the Group's operations.

In May 2023, the Group launched its online marketplace in the Czech Republic, Allegro.cz, starting a new phase in Group's international expansion, followed by a launch of Allegro.sk marketplace in Slovakia in February 2024 and a launch of Allegro.hu in Hungary in October 2024. Results of online marketplaces operations outside of Poland are reported in Allegro International Segment, which together with the Mall Segment comprises the Group's "International Operations".

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

At the date of the Report, based on the most recent available information and to the best of Management's knowledge, (i) 18.81% of the issued shares of the Company are held 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 RCS under number B204672 ("Cidinan S.à r.l."), representing the interests of Cinven & Co-Investors, and (ii) 22.10% by Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors. Following a block disposal of shares on 10 October 2023 the stake held 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 RCS under number B246319 ("Mepinan S.à r.l."), representing the interests of Mid Europa Partners Funds, fell from 5.52% to below the 5% threshold. As a result shares held by Mepinan S.à r.l. are included in the free float from October 2023. At the date of the Report, to the best of Management's knowledge, the remaining 59.09% is owned by shareholders other than Significant Shareholders, including management of the Allegro Group, and together comprises the free float. 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 31 December 2024 and for the twelve-month periods ended 31 December 2024 and 31 December 2023, which have been derived from the audited Consolidated Financial Statements of the Group (the “Consolidated Financial Statements”), prepared in accordance with IFRS Accounting Standards, as adopted by the European Union, and included elsewhere in this Report. Price-waterhouseCoopers, 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 RCS under number B65477, has audited the consolidated financial statements in its capacity as independent statutory auditor (réviseur d’entreprises agréé) of the Group.

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

The Group has defined the alternative performance measures as follows:

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

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

“Adjusted EBITDA” means EBITDA further adjusted to exclude regulatory proceeding costs, Group restructuring and development cost, donations to various public benefit organisations, employee restructuring 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 valuation and settlement of Virtual Power Purchase Agreement (vPPA);

“Adjusted EBITDA/GMV” means Adjusted EBITDA divided by GMV;

“Adjusted EBITDA/net revenue” means Adjusted EBITDA divided by Revenue;

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

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

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

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

GMV from third party sellers (3P GMV) is a non audited measure.

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

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

“Leverage” means Group Net debt divided by Group Adjusted EBITDA for the preceding twelve months including IFRS16 effects;

“Other capital expenditure” means amounts paid for investments in property, plant and equipment and intangible assets, e.g. building the relevant capacity of data centres, supplying employees with appropriate equipment (i.e. workstations), purchases of office equipment (e.g. fit-out and IT devices) and acquisition of 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 capitalised development costs and other capital expenditure;

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

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

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

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

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

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

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

NON-FINANCIAL MEASURES

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

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

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

- i. **for the Polish Operations:** Allegro.pl, Allegrolokalnie.pl and eBilet.pl;
- ii. **for the Mall Segment:** Mall.cz, Mall.hu, Mall.sk, Mall.hr, Mimovrste.com, CZC.cz;
- iii. **for Allegro International Segment:** Allegro.cz (since Q2’23); Allegro.sk (since Q1’24) and Allegro.hu (since Q4’24)

iv. **for the International Operations:** all the platforms operated by the Mall Segment and Allegro International Segment listed in (ii) and (iii) above;

v. **for the consolidated Group:** all the platforms operated by the Group listed above, while if the same email address is repeated in the active buyer base of more than one of the Group’s platforms, it is only counted once in the active buyer base for the Consolidated Group.;

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

“Items sold” represents the sum of all items of product sold on the marketplace over a period of time for the (i) Polish Operations; (ii) Mall Segment; (iii) Allegro International Segment; (iv) International Operations, or the consolidated Group, respectively. Purchase of two units of a specific product from a seller in a single purchase transaction is counted as two items.





allegro

II. Business report

1.

Selected consolidated financial and operational highlights

Income Statement, PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
Total revenue and other operating income	10,940.0	10,250.6	6.7%	3,147.2	3,100.0	1.5%
<i>of which Polish Operations</i>	9,492.5	7,951.5	19.4%	2,781.1	2,397.6	16.0%
<i>of which International Operations</i>	1,517.0	2,334.2	(35.0%)	386.6	723.6	(46.6%)
<i>of which Eliminations & Other</i>	(69.5)	(35.2)	97.8%	(20.5)	(21.2)	(3.2%)
EBITDA	2,831.0	2,414.1	17.3%	758.1	720.7	5.2%
<i>of which Polish Operations</i>	3,452.1	2,859.3	20.7%	943.6	882.5	6.9%
<i>of which International Operations</i>	(619.6)	(442.3)	(40.1%)	(184.5)	(159.0)	(16.0%)
<i>of which Eliminations & Other</i>	(1.4)	(2.9)	(50.3%)	(1.0)	(2.8)	(63.3%)
Adjusted EBITDA	2,995.0	2,540.1	17.9%	790.9	751.8	5.2%
<i>of which Polish Operations</i>	3,586.5	2,957.6	21.3%	975.2	905.7	7.7%
<i>of which International Operations</i>	(590.0)	(414.6)	(42.3%)	(183.3)	(151.1)	(21.3%)
<i>of which Eliminations & Other</i>	(1.4)	(2.9)	(50.3%)	(1.0)	(2.8)	(63.3%)
EBIT	1,787.1	790.1	126.2%	449.9	(150.9)	N/A
Profit before income tax	1,443.4	500.2	188.6%	354.9	(196.4)	N/A
Net Profit	1,034.6	284.1	264.2%	252.6	(233.6)	N/A

Balance sheet	31.12.2024	31.12.2023	Change %
Assets	19,517.3	18,538.8	5.3%
Equity	10,087.2	9,043.3	11.5%
Net Debt	2,303.0	4,635.9	(50.3%)

Cash Flow, PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
Net cash inflow/(outflow) from operating activities	3,623.2	2,540.9	42.6%	960.9	896.1	7.2%
Net cash inflow/(outflow) from investing activities	(640.5)	(466.8)	37.2%	(181.9)	(120.6)	50.9%
Net cash inflow/(outflow) from financing activities	(967.3)	(883.9)	9.4%	(555.8)	(455.8)	21.9%
Effect of movements in exchange rates on cash held	(5.6)	(18.6)	(70.0%)	(0.3)	(18.6)	98.6%
Total increase / (decrease) in cash and cash equivalents	2,009.8	1,171.6	71.6%	223.0	301.2	(26.0%)

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)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
Active Buyers (millions)	20.8	19.6	6.0%	20.8	19.6	6.0%
<i>of which Polish Operations</i>	15.1	14.6	2.8%	15.1	14.6	2.8%
<i>of which International Operations</i>	5.7	5.0	15.4%	5.7	5.0	15.4%
GMV per Active Buyer (PLN)	3,074.9	2,974.0	3.4%	3,074.9	2,974.0	3.4%
<i>of which Polish Operations</i>	4,031.5	3,739.3	7.8%	4,031.5	3,739.3	7.8%
<i>of which International Operations</i>	573.4	724.0	(20.8%)	573.4	724.0	(20.8%)
GMV (PLN m)	63,969.0	58,373.4	9.6%	18,396.3	16,940.1	8.6%
<i>of which Polish Operations</i>	60,706.9	54,770.5	10.8%	17,377.1	15,676.0	10.9%
<i>of which International Operations</i>	3,294.7	3,605.7	(8.6%)	1,028.3	1,264.1	(18.6%)
<i>Intersegment eliminations</i>	(32.7)	(2.8)	1,076.8%	(9.1)	—	N/A

KPIs (unaudited)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
LTM GMV (PLN m)	63,969.0	58,373.4	9.6%	63,969.0	58,373.4	9.6%
<i>of which Polish Operations</i>	60,706.9	54,770.5	10.8%	60,706.9	54,770.5	10.8%
<i>of which International Operations</i>	3,294.7	3,605.7	(8.6%)	3,294.7	3,605.7	(8.6%)
<i>Intersegment eliminations</i>	(32.7)	(2.8)	1,076.8%	(32.7)	(2.8)	1,076.8%
Items sold (PLN m)	1,329.8	1,174.7	13.2%	371.7	327.6	13.5%
<i>of which Polish Operations</i>	1,297.8	1,153.4	12.5%	360.1	318.4	13.1%
<i>of which International Operations</i>	32.0	21.3	50.6%	11.7	9.2	27.0%
<i>Intersegment eliminations</i>	(0.1)	—	N/A	(0.1)	—	N/A
Take Rate ⁽¹⁾ (%)	12.16%	11.44%	0.72pp	11.83%	11.58%	0.25pp
<i>of which Polish Operations</i>	12.30%	11.48%	0.82pp	12.01%	11.68%	0.33pp
<i>of which International Operations</i>	7.57%	9.87%	(2.30pp)	7.31%	8.49%	(1.18pp)
1P Gross Margin	9.40%	10.65%	(1.24pp)	7.56%	9.86%	(2.30pp)
<i>of which Polish Operations</i>	3.46%	3.35%	0.11pp	(1.63%)	(0.68%)	(0.95pp)
<i>of which International Operations</i>	11.37%	12.30%	(0.93pp)	13.62%	12.92%	0.69pp
Adjusted EBITDA (PLN m)	2,995.0	2,540.1	17.9%	790.9	751.8	5.2%
<i>of which Polish Operations</i>	3,586.5	2,957.6	21.3%	975.2	905.7	7.7%
<i>of which International Operations</i>	(590.0)	(414.6)	(42.3%)	(183.3)	(151.1)	(21.3%)
<i>Intersegment eliminations</i>	(1.4)	(2.9)	(50.3%)	(1.0)	(2.8)	(63.3%)
Adjusted EBITDA/total revenue and other operating income(%)	27.38%	24.78%	2.60pp	25.13%	24.25%	0.88pp
<i>of which Polish Operations</i>	37.78%	37.19%	0.59pp	35.07%	37.78%	(2.71pp)
<i>of which International Operations</i>	(38.89%)	(17.76%)	(21.13pp)	(47.41%)	(20.88%)	(26.52pp)
Adjusted EBITDA/GMV (%)	4.68%	4.35%	0.33pp	4.30%	4.44%	(0.14pp)
<i>of which Polish Operations</i>	5.91%	5.40%	0.51pp	5.61%	5.78%	(0.17pp)
<i>of which International Operations</i>	(17.91%)	(11.50%)	(6.41pp)	(17.82%)	(11.95%)	(5.87pp)

[1] Take Rate is a blended average take rate.

GMV AND ACTIVE BUYERS

During FY 2024 GMV for the consolidated Group increased by PLN 5,595.6 million, or 9.6% YoY from PLN 58,373.4 million for FY 2023 to PLN 63,969.0 million for FY 2024, whereas for Q4 2024 GMV for the consolidated Group increased by PLN 1,456.2 million, or 8.6% YoY, from PLN 16,940.1 million for Q4 2023, to PLN 18,396.3 million for Q4 2024.

Consolidated GMV increase in FY 2024 was based on stable growth of the Polish Operations and supplemented by the impact of the successful commercial launches of Allegro international marketplaces: Czech Republic in May 2023, Slovakia in February 2024 and Hungary in October 2024 (representing 100% of the Allegro International Segment created in 2023). This was partially offset by the decrease in the Mall Segment's GMV driven by restructuring of its 1P legacy business with the aim to transform it into an efficient merchant trading on the marketplaces.

For FY 2024, GMV of the Polish Operations increased by 10.8% YoY, while GMV growth in Q4 2024 reached 10.9% YoY. From the quarterly perspective, YoY GMV growth recovered to 10.0% in Q1 2024 from the 2023 low of 8.5% in Q4 2023, which at that time was due to trading down by customers, impacted by declining real wages, shopping for deals in the market. In Q2 2024 the growth accelerated to 11.6% YoY before registering 10.8% and 10.9% YoY for the third and fourth quarters, respectively. Although the average item selling price continued to decline through 2024, driven by the category mix shifts towards lower priced, higher frequency categories, the Company noted gradual reversal of the trading down effect, with the mix neutralized average selling price (ASP) YoY change turning positive and sequentially accelerating, from 0.8pp in Q2, 0.9pp in Q3 to 1.1pp in Q4 2024.

Altogether, the Allegro marketplace in Poland again demonstrated strength of its proposition of everyday shopping for the widest selection at attractive prices as a notably relevant solution for

Polish consumers whose spend on Allegro in FY 2024 grew more than three times faster than total retail market in Poland ^[1]. Organic growth in GMV was further supported by continued expansion in Smart! users and ongoing adoption of Allegro Pay services.

Active Buyers of the Polish Operations grew by 2.8% YoY and by 0.8% QoQ, adding over 400 thousand buyers during the year and reaching 15.1 million at the end of FY 2024. Growth in Active Buyers continues for almost three years now, reflecting the success of Allegro's marketing focus on price, selection and loyalty which yields a positive impact on new shopper acquisition. The average annual spend per buyer kept on growing as the structural shift to online shopping continues, with GMV per Active Buyer reaching PLN 4,031.5 for Polish Operations, up by 7.8% YoY.

Overall GMV from the International Operations was 8.6% lower YoY in FY 2024. While the Allegro International Segment provided PLN 1,693.5 million of GMV in 2024 growing by PLN 1,031.3 million, or a factor of 2.6x, the Mall Segment restructuring drove its GMV down by PLN 1,271.8 million, or 42.0% YoY, to PLN 1,759.3 in FY 2024.

Active Buyers of the International Operations grew by 15.4% YoY to reach 5.7 million. This growth was driven by excellent performance of Allegro International Segment, more than doubling its customer base YoY to 3.3 million Active Buyers (of which 0.7 million were also Active Buyers of the Mall Segment). Around three quarters are the customers of Allegro.cz with their number up by half YoY. At the same time the Mall Segment's Active Buyers number declined by 22% YoY to 3.1 million. Such evolution of the Active Buyers' base of the International Operations underlines the strength of Allegro's new marketplaces, attracting Czech, Slovak and Hungarian customers thanks to the unparalleled selection and attractive pricing of its offers.

ADJUSTED EBITDA

The Group's Adjusted EBITDA increased by PLN 454.9 million, or 17.9% YoY from PLN 2,540.1 million for FY 2023 to PLN 2,995.0 million for FY 2024, whereas for Q4 2024 Adjusted EBITDA increased by PLN 39.1 million, or 5.2% YoY, from PLN 751.8 million for Q4 2023, to PLN 790.9 million for Q4 2024.

The Adjusted EBITDA of the Polish Operations increased by 21.3% for FY 2024 to reach PLN 3,586.5 million. The growth in Q4 2024 was 7.7% YoY, sequentially lower than in preceding quarters, however exceeding Management's expectations for growth in the 4-7% range. Ongoing development of Polish Operations profitability, both in Q4 and FY 2024, was an outcome of strong marketplace revenue growth, continuously fuelled by increasing and highly margin accretive Advertising and Allegro Pay revenues. These impacts were partially offset by increases in Cost of Delivery, Marketing expenses and Staff costs.

For International Operations, the launches and early stage investments in Allegro marketplaces in Czechia, Slovakia and Hungary resulted in PLN 372.3 million of start-up losses in FY 2024 versus loss of PLN 208.8 million for FY 2023 when only Allegro.cz was operational and marketed for the last five months of the year. The new marketplaces had a strong Q4 2024 as GMV increased by 67.9% YoY to PLN 689.4 million from PLN 410.9 million in Q4 2023. At the same time loss to GMV margin improved despite high season and multinational advertising campaigns, producing an Adjusted EBITDA loss of PLN 141.6 million in Q4 2024 as compared with PLN

109.2 million in Q4 2023. The legacy Mall Segment produced a full year Adjusted EBITDA loss of PLN 217.0 million, slightly higher than PLN 204.6 million a year before. This loss amounted to PLN 41.4 million in Q4, broadly stable compared to PLN 40.7 million in Q4 2023, despite a 54.8% YoY reduction of Q4 GMV.

The Take Rate for the Group in FY 2024 reached 12.16%, up by 0.72pp YoY, whereas for Q4 2024, Take Rate reached 11.83%, up by 0.25pp YoY. For the Polish Operations Take rate improved by 0.82pp to 12.30% in FY 2024 and by 0.33pp to 12.01% in Q4 2024. These improvements reflect predominantly changes to rate cards and raised co-financing fees for Smart! deliveries implemented in Q1 2024.

For FY 2024 the Group consolidated GMV margin was 4.68% compared to 4.35% a year ago. For Q4 2024, Group Consolidated GMV margin was 4.30% compared to 4.44% for Q4 2023. GMV margin for the Polish Operations segment increased by 0.51pp YoY to 5.91% for FY 2024, while for Q4 2024 it was reduced by 0.17pp YoY to 5.61%. The higher full year GMV margin in Poland reflects aforementioned improvements in the Take Rate, partly offset by delivery contracts indexation for 2024, intensified marketing expenses and investments in employment. In absolute terms, YoY improvements in Adjusted EBITDA slowed in H2 2024, largely due to lapping of a second take rate increase made in July 2023 and similar lapping of savings from "Fit to Grow", Group-wide efficiency initiative launched during 2023, which were mostly fully reflected in expense run rates by H2 2023.

[1] Total nominal retail sales grew by 3.3% YoY in FY 2024 as reported by Statistics Poland (GUS).

THE FOLLOWING TABLES PRESENT A RECONCILIATION BETWEEN REPORTED AND ADJUSTED EBITDA FOR THE PERIODS UNDER REVIEW:

Reconciliation of Adjusted EBITDA, PLN m (unaudited)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
EBITDA Group	2,831.0	2,414.1	17.3%	758.1	720.7	5.2%
EBITDA Polish Operations	3,452.1	2,859.3	20.7%	943.6	882.5	6.9%
Allegro Incentive Plan ^[1]	93.0	70.0	32.9%	19.2	16.0	20.3%
Group restructuring and development costs ^[2]	23.6	25.6	(7.9%)	2.2	7.1	(69.0%)
Employees restructuring cost ^[3]	0.9	2.0	(55.9%)	0.9	—	N/A
vPPA agreement ^[4]	2.9	—	N/A	0.7	—	N/A
Regulatory proceeding costs ^[5]	12.7	0.2	7,427.8%	7.2	0.1	5,172.6%
Donations to various public benefit organisations ^[6]	1.4	0.5	178.0%	1.4	—	N/A
Adjusted EBITDA Polish Operations	3,586.5	2,957.6	21.3%	975.2	905.7	7.7%
EBITDA International Operations	(619.6)	(442.3)	(40.1%)	(184.5)	(159.0)	(16.0%)
Allegro Incentive Plan ^[1]	7.7	7.8	(0.1%)	1.2	1.6	(25.1%)
Group restructuring and development costs ^[2]	10.5	13.9	(24.3%)	(1.2)	6.3	(119.4%)
Employees restructuring cost ^[3]	11.3	5.7	98.0%	1.2	—	N/A
Regulatory proceeding costs ^[5]	0.1	0.4	(84.4%)	—	—	N/A
Adjusted EBITDA International Operations	(590.0)	(414.6)	(42.3%)	(183.3)	(151.1)	(21.3%)
Eliminations & Other	(1.4)	(2.9)	(50.3%)	(1.0)	(2.8)	(63.3%)
Adjusted EBITDA Group	2,995.0	2,540.1	17.9%	790.9	751.8	5.2%

[1] 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.

[2] Represents legal and financial due diligence and other advisory expenses with respect to:

- a. potential acquisitions or discontinued acquisition projects,
- b. integration and other advisory expenses with respect to signed and/or closed acquisitions,
- c. non-employee restructuring cost.

[3] Represents certain payments related to Mall Group and merger of WE|DO and reorganisation of the Management Boards of the parent entity and the underlying operating entities, as well as redundancy payments for employees affected by restructuring projects.

[4] Represents the results on valuation of the Group's virtual power purchase agreement (‘vPPA’). This agreement reflects virtual purchases of green energy and is treated as a financial instrument valued at fair value through profit and loss. More information is presented in note 28.2 to the Annual Consolidated Financial statements for the year ended 31 December 2024.

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

[6] Represents donations made by the Group to support health service and charitable organisations and NGOs.

Reconciliation of Adjusted EBITDA, PLN m (unaudited)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
EBITDA International Operations	(619.6)	(442.3)	(40.1%)	(184.5)	(159.0)	(16.0%)
EBITDA Mall Segment	(250.3)	(218.6)	(14.5%)	(41.4)	(46.8)	11.7%
Allegro Incentive Plan ^[1]	4.1	7.8	(47.7%)	—	1.6	(100.0%)
Group restructuring and development costs ^[2]	17.9	0.2	8,858.1%	(1.2)	4.5	(127.2%)
Employees restructuring cost ^[3]	11.3	5.7	98.0%	1.2	—	N/A
Regulatory proceeding costs ^[5]	0.1	0.4	(84.4%)	—	—	N/A
Adjusted EBITDA Mall Segment	(217.0)	(204.6)	(6.1%)	(41.4)	(40.7)	(1.6%)
EBITDA Allegro International Segment	(368.6)	(222.5)	(65.7%)	(142.8)	(111.0)	(28.7%)
Allegro Incentive Plan ^[1]	3.7	—	N/A	1.2	—	N/A
Group restructuring and development costs ^[2]	(7.3)	13.7	(153.4%)	—	1.8	(100.0%)
Adjusted EBITDA Allegro International Segment	(372.3)	(208.8)	(78.3%)	(141.6)	(109.2)	(29.7%)
Eliminations & Other	(0.7)	(1.2)	(43.4%)	(0.3)	(1.2)	(76.1%)
Adjusted EBITDA International Operations	(590.0)	(414.6)	(42.3%)	(183.3)	(151.1)	(21.3%)

Adjusted EBITDA for Polish Operations includes PLN 134.4 million of EBITDA adjustments reported in FY 2024, compared to PLN 98.3 million reported in the prior year, whereas EBITDA adjustments reported in Q4 2024 amounted to PLN 31.6 million, up from PLN 23.2 million in Q4 2023. The largest adjustment to EBITDA in FY 2024 was PLN 93.0 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, of which PLN 19.2 million was incurred in Q4 2024. The other key adjustment to EBITDA was PLN 23.6 million of Group restructuring and development costs for FY 2024 (of which PLN 2.2 million in Q4 2024) related to the Mall Segment turnaround, which were incurred by the Polish entity and therefore booked to the Polish Operations.

Adjusted EBITDA for International Operations includes EBITDA adjustments of PLN 29.6 million reported in FY 2024 and PLN 1.2 million reported in Q4 2024. Key adjustments to EBITDA in the current period included Employees restructuring costs of PLN 11.3 million for FY2024 and PLN 1.2 million for Q4 2024, related to the ongoing restructuring process. Adjustments also included Group restructuring and development costs of PLN 10.5 million for FY 2024 (lowered by PLN 1.2 million reclassified to Employees restructuring in Q4 2024) related to post M&A integration, as well as costs related to the Allegro Incentive Plan of PLN 7.7 million for FY 2024 and PLN 1.2 million for Q4 2024. The vast majority of adjustments to EBITDA concern the Mall Segment.

2.2.
Review of the Group financial and operational results

2.2.1.
REVIEW OF ALLEGRO.EU GROUP FINANCIAL AND OPERATIONAL RESULTS

The following tables present the Group's summary consolidated statements of comprehensive income for FY 2024, FY 2023, Q4 2024 and Q4 2023.

Consolidated statement of comprehensive income, PLN m	Consolidated Group					
	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
GMV	63,969.0	58,373.4	9.6%	18,396.3	16,940.1	8.6%
of which 1P	1,983.0	3,082.7	(35.7%)	572.9	980.9	(41.6%)
of which 3P	61,986.0	55,290.7	12.1%	17,823.4	15,959.2	11.7%
Total revenue and other operating income	10,940.0	10,250.6	6.7%	3,147.2	3,100.0	1.5%
Revenue	10,821.2	10,185.3	6.2%	3,104.6	3,034.7	2.3%
Marketplace revenue	7,537.6	6,327.5	19.1%	2,108.5	1,847.5	14.1%
Price comparison revenue	235.3	207.9	13.2%	79.8	60.8	31.3%
Advertising revenue	1,088.3	833.4	30.6%	346.8	260.8	33.0%
Retail revenue	1,669.5	2,598.8	(35.8%)	480.4	817.1	(41.2%)
Logistic Service Revenue	233.6	140.5	66.2%	77.4	56.4	37.1%
Other revenue	56.9	77.2	(26.2%)	11.7	(7.9)	N/A
Other operating income	118.7	65.2	82.0%	42.5	65.2	(34.8%)
Operating expenses	(8,108.9)	(7,836.5)	3.5%	(2,389.1)	(2,379.3)	0.4%
Payment charges	(164.5)	(159.6)	3.1%	(45.9)	(45.1)	1.9%
Cost of goods sold	(1,512.5)	(2,322.1)	(34.9%)	(444.1)	(736.6)	(39.7%)
Cost of delivery	(2,835.0)	(2,307.6)	22.9%	(834.6)	(705.7)	18.3%
Marketing service expenses	(1,610.5)	(1,231.7)	30.8%	(562.0)	(436.6)	28.7%
Staff costs	(1,237.2)	(1,169.5)	5.8%	(301.7)	(289.0)	4.4%
IT service expenses	(225.1)	(201.9)	11.5%	(59.6)	(54.9)	8.5%
Other expenses	(509.5)	(396.3)	28.6%	(144.8)	(105.8)	36.9%
Net impairment losses on financial and contract assets	(14.6)	(47.7)	(69.5%)	3.6	(5.6)	N/A
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	2,831.0	2,414.1	17.3%	758.1	720.7	5.2%

Detailed discussion on key data in this table is presented in the following sections concerning the results of Polish Operations and International Operations respectively. For a reconciliation between Group results and the Polish and International Operations, please refer to the Appendix 2 to this report.



This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

2.2.2
RESULTS OF THE POLISH OPERATIONS

The following tables present the Group's summary consolidated statements of comprehensive income for FY 2024, FY 2023, Q4 2024 and Q4 2023.

Consolidated statement of comprehensive income, PLN m	Polish Operations					
	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
GMV	60,706.9	54,770.5	10.8%	17,377.1	15,676.0	10.9%
of which 1P	535.6	584.2	(8.3%)	233.4	221.6	5.3%
of which 3P	60,171.4	54,186.3	11.0%	17,143.7	15,454.4	10.9%
Total revenue and other operating income	9,492.5	7,951.5	19.4%	2,781.1	2,397.6	16.0%
Revenue	9,373.9	7,886.2	18.9%	2,738.6	2,332.3	17.4%
Marketplace revenue	7,400.6	6,218.5	19.0%	2,059.2	1,804.7	14.1%
Price comparison revenue	235.3	207.9	13.2%	79.8	60.8	31.3%
Advertising revenue	1,075.5	830.4	29.5%	341.3	260.1	31.3%
Retail revenue	448.6	486.1	(7.7%)	194.5	181.8	7.0%
Logistic Service Revenue	137.6	53.7	156.4%	49.1	20.3	142.5%
Other revenue	76.3	89.6	(14.9%)	14.7	4.7	209.2%
Other operating income	118.6	65.2	81.8%	42.4	65.2	(35.0%)
Operating expenses	(6,040.4)	(5,092.2)	18.6%	(1,837.4)	(1,515.0)	21.3%
Payment charges	(145.2)	(139.9)	3.8%	(39.3)	(38.2)	2.8%
Cost of goods sold	(433.1)	(469.8)	(7.8%)	(197.6)	(183.0)	8.0%
Cost of delivery	(2,695.2)	(2,230.6)	20.8%	(786.4)	(673.1)	16.8%
Marketing service expenses	(1,165.4)	(879.6)	32.5%	(395.6)	(279.2)	41.7%
Staff costs	(991.4)	(824.5)	20.2%	(251.6)	(208.0)	21.0%
IT service expenses	(195.3)	(170.6)	14.5%	(56.9)	(46.9)	21.3%
Other expenses	(398.2)	(330.8)	20.4%	(108.9)	(80.6)	35.0%
Net impairment losses on financial and contract assets	(16.6)	(46.4)	(64.2%)	(1.2)	(6.0)	(80.6%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	3,452.1	2,859.3	20.7%	943.6	882.5	6.9%

REVENUE AND OTHER OPERATING INCOME

Total revenue and other operating income increased by PLN 1,541.0 million, or 19.4%, from PLN 7,951.5 million for FY 2023 to PLN 9,492.5 million for FY 2024, whereas for Q4 2024 total revenue and other operating income increased by PLN 383.5 million, or 16.0%, from PLN 2,397.6 million for Q4 2023 to PLN 2,781.1 million for Q4 2024. This increase resulted primarily from strong performance in the 3P marketplace, Advertising, Allegro Pay (reported in Other Operating Income) and logistic service revenue. Main drivers of key revenue and other operating income streams are described below.

MARKETPLACE REVENUE

Marketplace revenue increased by PLN 1,182.0 million, or 19.0%, from PLN 6,218.5 million for FY 2023 to PLN 7,400.6 million for FY 2024, whereas for Q4 2024 marketplace revenue increased by PLN 254.5 million, or 14.1% from PLN 1,804.7 million for Q4 2023 to PLN 2,059.2 million for Q4 2024. This increase resulted primarily from 3P GMV growth which for FY 2024 reached 11.0% YoY (and up by 10.9% YoY in Q4 2024) in combination with a higher Take Rate. S merchant fees for transactions financed by Allegro Pay from Other revenue to Marketplace revenue. This revenue reclassification was first recorded in Q2 2024, with a total for FY 2024 amounting to PLN 28.8 million.

ADVERTISING REVENUE

Advertising revenue increased by PLN 245.1 million, or 29.5%, from PLN 830.4 million for FY 2023 to PLN 1,075.5 million for FY 2024, whereas for Q4 2024 advertising revenue increased by PLN 81.3 million, or 31.3%, from PLN 260.1 million for Q4 2023 to PLN 341.3 million for Q4 2024. This increase resulted primarily from high demand supporting the pricing of Allegro Ads and benefits from machine learning-enabled product improvements driving performance for advertisers in terms of sales return on spending. Further growth was related to robust increases in brand budgets, facilitated by brand-specific campaign entry tools. Advertising revenue continued to grow ahead of GMV and rose

to 1.77% as a percentage of GMV for FY 2024, up by 0.26 pp versus the prior year and 1.96% of GMV for Q4 2024, up by 0.31 pp YoY.

RETAIL REVENUE

Retail revenue decreased by PLN 37.7 million, or 7.7%, from PLN 486.1 million for FY 2023 to PLN 448.6 million for FY 2024, whereas for Q4 2024 retail revenue increased by PLN 12.7 million, or 7.0%, from PLN 181.8 million for Q4 2023 to PLN 194.5 million for Q4 2024. The decline for FY resulted primarily from the lower role of Allegro 1P within the Supermarket and Health & Beauty categories resulting from continuously increasing demand which attracted higher volumes of supply from 3P merchants. Furthermore, there has been significant progress in sourcing deep discounts from merchants to support shopping events like Allegro Days and Smart Week, reducing the reliance on 1P-sourced offers. The growth in Q4 2024 was mainly driven by a significantly extended Black Week shopping campaign which lasted for most of November when 1P supplied a disproportionally higher selection than in prior year.

LOGISTIC SERVICE REVENUE

Logistic service revenue increased by PLN 84.0 million, or 156.4%, from PLN 53.7 million for FY 2023 to PLN 137.6 million for FY 2024, whereas for Q4 2024 logistic service revenue increased by PLN 28.9 million, or 142.5%, from PLN 20.3 million for Q4 2023 to PLN 49.1 million for Q4 2024. This increase resulted primarily from regular delivery and fulfilment revenue more than doubling YoY, driven by the increasing scale of Allegro One operations. These revenues are recognised when merchants are paying for Allegro One to deliver to consumers, i.e. transactions outside of the Smart! program. Additional impact came from the newly launched Allegro Delivery services where Allegro is now responsible for end-to-end service and becomes a principal rather than an agent. Accordingly, revenues and costs for non-Smart deliveries executed by Allegro

One or Allegro sub-contractors are now shown gross in logistic service revenue and logistic cost (the latter impacting Costs of Delivery described further in this section) presented in preceding years in Net Costs of Delivery. This grossing up effect on revenues amounted to PLN 25.9 million, i.e. 48.2 pp of the YoY growth rate.

OTHER REVENUE

Other revenue decreased by PLN 13.3 million, or 14.9%, from PLN 89.6 million for FY 2023 to PLN 76.3 million for FY 2024, whereas for Q4 2024 other revenue increased by PLN 10.0 million, or 209.2%, from PLN 4.7 million for Q4 2023 to PLN 14.7 million for Q4 2024. The decrease in FY reflects predominantly reclassification of merchant fees on transactions financed by Allegro Pay from Other revenue to Marketplace revenue (see comments to Marketplace revenue above). Those changes were partially offset by increased Financial services revenue (mainly B2B and payments) and intercompany revenue from the Mall Segment related mainly to IT services.

OPERATING EXPENSES

Operating expenses increased by PLN 948.2 million, or 18.6%, from PLN 5,092.2 million for FY 2023 to PLN 6,040.4 million for FY 2024, whereas for Q4 2024 operating expenses increased by PLN 322.4 million, or 21.3%, from PLN 1,515.0 million for Q4 2023 to PLN 1,837.4 million for Q4 2024. These increases resulted primarily from higher costs of delivery, staff costs and marketing expenses.

COST OF DELIVERY

Cost of delivery increased by PLN 464.6 million, or 20.8%, from PLN 2,230.6 million for FY 2023 to PLN 2,695.2 million for FY 2024, whereas for Q4 2024 cost of delivery increased by PLN 113.4 million, or 16.8%, from PLN 673.1 million for Q4 2023 to PLN 786.4

OTHER OPERATING INCOME

Other Operating Income increased by PLN 53.4 million, or 81.8%, to PLN 118.6 million in FY 2024 as compared to 65.2 million in FY 2023. Other Operating Income reflects results from the fair valuation and sale of consumer loans portfolios originated by Allegro Pay to the Group's financing partners, which reached the materiality threshold to be presented separately in Q4 2023, previously presented within Other Revenue. Other Operating Income decreased in Q4 2024 by 35.0% to PLN 42.4 million from PLN 65.2 million in Q4 2023, predominantly due to PLN 39.0 million of cumulative adjustment for the first nine months of 2023 included in Q4 2023 result.

million for Q4 2024. This increase resulted primarily from the volume effect of increased number of parcels (driven by the combination of Allegro GMV growth, higher Smart penetration and lower average parcel value (APV)).

Considering the scale-up of Allegro Logistic operations, which consequently increases the proportion of deliveries where Allegro acts under the principal model (either through its own logistics network or through third-party delivery services where the Group assumes responsibility for fulfilling the delivery), the Group has changed the name of the "net cost of delivery" line in the statement of comprehensive income to "cost of delivery". Cost of delivery reflects the combination of the excess of delivery costs over the SMART subscription fees

accounted for under the agent model, together with the logistics costs incurred from the Group's own delivery methods operating under the principal model. In both periods, at least 80% of Cost of delivery can be attributed to the agent model. The 20.8% FY growth resulted primarily from the volume effect of increased number of items sold (14.1 pp of the growth rate) and from an uptick in average unit cost of delivery (additional 0.3 pp) reflecting higher pricing from third party contractors partially offset by growing share of own delivery network. The unit cost increase effect of 0.3 pp would have been higher at 2.1 pp if not for a further mix shift away from costly courier home deliveries towards out of home methods, share of which was down by 4.6 pp YoY in FY 2024. Ongoing growth in the number of Smart! users added 5.4 pp YoY. Lastly, the cost of delivery was further increased (additional 1.2 pp) by a presentation adjustment implemented from Q2 2024 from logistic service cost now shown gross and corresponding to the logistic service revenue of PLN 25.9 million (for the part corresponding with Allegro Delivery costs in Smart! where Allegro is principal, in preceding periods presented in "Net cost of delivery" line – for more detail please refer to "Logistic service revenue" description above).

MARKETING SERVICE EXPENSES

Marketing service expenses increased by PLN 285.9 million, or 32.5%, from PLN 879.6 million for FY 2023 to PLN 1,165.4 million for FY 2024, whereas for Q4 2024 marketing service expenses increased by PLN 116.3 million, or 41.7%, from PLN 279.2 million for Q4 2023 to PLN 395.6 million for Q4 2024.

OTHER EXPENSES

Other expenses increased by PLN 67.4 million, or 20.4%, from PLN 330.8 million for FY 2023 to PLN 398.2 million for FY 2024, whereas for Q4 2024 other expenses increased by PLN 28.2 million, or 35.0%, from PLN 80.6 million for Q4 2023 to PLN 108.9

Marketing service expenses as a percentage of GMV increased by 0.31 pp YoY to 1.92% for FY 2024 and by 0.50 pp YoY to 2.28% for Q4 2024. The Group has responded to new market entrants competing for share of voice on paid internet advertising channels by increasing investment in traffic acquisition, diversifying advertising channels and expanding social media marketing. These marketing investments were aimed at a wide range of the Group's offerings, including among others category specific communication (Supermarket, Health & Beauty) and building awareness of trust and security features (i.e. Allegro Protect, Best Price Guarantee). The Group also further pushed promotion of the Smart! program to increase its penetration among existing and new buyers. The annual Smart! Week shopping event was extended to 10 days in Q2 2024 from 7 days a year before while Black Weeks campaign in Q4 2024 lasted 29 days compared to 18 days the year before. These were partly responsible for the increase in spend relative to GMV.

STAFF COSTS

Staff costs increased by PLN 166.9 million, or 20.2%, from PLN 824.5 million for FY 2023 to PLN 991.4 million for FY 2024, whereas for Q4 2024 staff costs increased by PLN 43.6 million, or 21.0%, from PLN 208.0 million for Q4 2023 to PLN 251.6 million for Q4 2024. These increases resulted primarily from a 15% headcount increase as compared to the end of December 2023, coupled with the impact of salary and related cost increases effective from April 2024. However, the annual pay round brought smaller increases than in the prior year as inflation has fallen significantly. Following completion of the "Fit to Grow" savings initiative, the Group is investing in growing teams, mainly in technology, fintech, advertising, logistics and customer services to fuel its growth engines.

million for Q4 2024. This increase resulted primarily from an increase in contracted services (including reclassification of temporary work from staff costs), partially offset by lower office maintenance costs as the Group released underutilised office space.

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

EBITDA increased by PLN 592.8 million, or 20.7%, from PLN 2,859.3 million for FY 2023 to PLN 3,452.1 million for FY 2024, whereas for Q4 2024 EBITDA increased by PLN 61.1 million, or 6.9% by PLN 61.1, from PLN 882.5 million for Q4 2023 to PLN 943.6 million for Q4 2024. This increase resulted primarily from the factors described above.

2.2.3
RESULTS OF THE INTERNATIONAL OPERATIONS

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

results of two reportable segments: Mall Segment and Allegro International Segment. Results of the Polish Operations are not included in this section.

KPIs (unaudited)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
Active Buyers (millions)	5.7	5.0	15.4%	5.7	5.0	15.4%
<i>of which Mall Segment</i>	3.1	4.0	(22.0%)	3.1	4.0	(22.0%)
<i>of which Allegro International Segment</i>	3.3	1.6	109.7%	3.3	1.6	109.7%
<i>Intersegment eliminations</i>	(0.7)	(0.6)	15.8%	(0.7)	(0.6)	15.8%
GMV per Active Buyer (PLN)	573.4	724.0	(20.8%)	573.4	724.0	(20.8%)
<i>of which Mall Segment</i>	561.7	755.0	(25.6%)	561.7	755.0	(25.6%)
<i>of which Allegro International Segment</i>	507.2	415.9	22.0%	507.2	415.9	22.0%
GMV (PLN m)	3,294.7	3,605.7	(8.6%)	1,028.3	1,264.1	(18.6%)
<i>of which Mall Segment</i>	1,759.3	3,031.1	(42.0%)	412.6	911.8	(54.8%)
<i>of which Allegro International Segment</i>	1,693.5	662.2	155.7%	689.4	410.6	67.9%
<i>Intersegment eliminations</i>	(158.1)	(87.7)	80.3%	(73.7)	(58.3)	26.4%

KPIs (unaudited)	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
LTM GMV (PLN m)	3,294.7	3,605.7	(8.6%)	3,294.7	3,605.7	(8.6%)
<i>of which Mall Segment</i>	1,759.3	3,031.1	(42.0%)	1,759.3	3,031.1	(42.0%)
<i>of which Allegro International Segment</i>	1,693.5	662.2	155.7%	1,693.5	662.2	155.7%
<i>Intersegment eliminations</i>	(158.1)	(87.7)	80.3%	(158.1)	(87.7)	80.3%
Items sold (PLN m)	32.0	21.3	50.6%	11.7	9.2	27.0%
<i>of which Mall Segment</i>	8.5	13.6	(37.8%)	2.4	4.3	(45.6%)
<i>of which Allegro International Segment</i>	24.5	8.0	205.0%	9.8	5.2	89.7%
<i>Intersegment eliminations</i>	(1.0)	(0.4)	136.0%	(0.5)	(0.3)	63.5%
Take Rate^[1] (%)	7.57%	9.87%	(2.30pp)	7.31%	8.49%	(1.18pp)
<i>of which Mall Segment</i>	12.09%	13.32%	(1.23pp)	13.65%	13.32%	0.33pp
<i>of which Allegro International Segment</i>	6.56%	6.60%	(0.04pp)	6.33%	6.41%	(0.08pp)
1P Gross Margin	11.37%	12.30%	(0.93pp)	13.62%	12.92%	0.69pp
<i>of which Mall Segment</i>	10.89%	12.03%	(1.14pp)	12.95%	12.25%	0.71pp
<i>of which Allegro International Segment</i>	(18.59%)	N/A	N/A	(19.92%)	N/A	N/A
Adjusted EBITDA (PLN m)	(590.0)	(414.6)	(42.3%)	(183.3)	(151.1)	(21.3%)
<i>of which Mall Segment</i>	(217.0)	(204.6)	(6.1%)	(41.4)	(40.7)	(1.6%)
<i>of which Allegro International Segment</i>	(372.3)	(208.8)	(78.3%)	(141.6)	(109.2)	(29.7%)
<i>Intersegment eliminations</i>	(0.7)	(1.2)	(43.4%)	(0.3)	(1.2)	(76.1%)
Adjusted EBITDA/ total revenue and other operating income (%)	(38.89%)	(17.76%)	(21.13pp)	(47.41%)	(20.88%)	(26.52pp)
<i>of which Mall Segment</i>	(14.84%)	(8.80%)	(6.04pp)	(11.66%)	(5.61%)	(6.06pp)
<i>of which Allegro International Segment</i>	(225.06%)	(371.87%)	146.81pp	(214.20%)	(296.42%)	82.22pp
Adjusted EBITDA/GMV (%)	(17.91%)	(11.50%)	(6.41pp)	(17.82%)	(11.95%)	(5.87pp)
<i>of which Mall Segment</i>	(12.34%)	(6.75%)	(5.59pp)	(10.03%)	(4.47%)	(5.57pp)
<i>of which Allegro International Segment</i>	(21.98%)	(31.53%)	9.54pp	(20.54%)	(26.59%)	6.05pp

[1] Take Rate is a blended average take rate.

THE FOLLOWING TABLE PRESENTS SELECTED CONSOLIDATED FINANCIAL DATA
FOR THE INTERNATIONAL OPERATIONS FOR FY 2024 AND FY 2023.

Consolidated statement of comprehensive income (audited), PLN m	International Operations											
	Mall Segment			Allegro International			Eliminations			Total		
	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %
GMV	1,759.3	3,031.1	(42.0%)	1,693.5	662.2	155.7%	(158.1)	(87.7)	80.3%	3,294.7	3,605.7	(8.6%)
of which 1P	1,470.1	2,501.3	(41.2%)	0.2	—	N/A	—	—	N/A	1,470.3	2,501.3	(41.2%)
of which 3P	289.2	529.8	(45.4%)	1,693.3	662.2	155.7%	(158.1)	(87.7)	80.3%	1,824.4	1,104.4	65.2%
Total revenue and other operating income	1,462.3	2,325.3	(37.1%)	165.4	56.1	194.6%	(110.7)	(47.2)	134.7%	1,517.0	2,334.2	(35.0%)
Revenue	1,462.2	2,325.3	(37.1%)	165.4	56.1	194.6%	(110.7)	(47.2)	134.7%	1,516.9	2,334.2	(35.0%)
Marketplace revenue	35.0	70.6	(50.5%)	111.1	43.7	154.0%	(8.0)	(5.3)	50.5%	138.1	109.0	26.7%
Advertising revenue	5.3	10.6	(50.5%)	23.5	5.1	364.1%	(15.4)	(11.1)	38.8%	13.4	4.6	190.3%
Retail revenue	1,243.8	2,116.1	(41.2%)	0.1	—	N/A	—	—	N/A	1,243.9	2,116.1	(41.2%)
Logistic Service Revenue	118.3	93.2	26.9%	27.9	7.3	280.0%	(50.0)	(13.7)	264.6%	96.2	86.9	10.7%
Other revenue	59.9	34.8	72.4%	2.8	—	N/A	(37.4)	(17.1)	118.4%	25.4	17.7	43.6%
Other operating income	0.1	—	N/A	—	—	N/A	—	—	N/A	0.1	—	N/A
Operating expenses	(1,712.6)	(2,543.9)	(32.7%)	(534.1)	(278.6)	91.7%	110.0	45.9	139.5%	(2,136.6)	(2,776.6)	(23.0%)
Payment charges	(8.6)	(14.4)	(40.6%)	(10.7)	(5.2)	105.1%	—	—	N/A	(19.3)	(19.7)	(1.8%)
Cost of goods sold	(1,108.4)	(1,861.5)	(40.5%)	(0.2)	—	N/A	6.1	5.8	4.9%	(1,102.5)	(1,855.8)	(40.6%)
Cost of delivery	(100.4)	(69.9)	43.6%	(85.0)	(15.6)	446.2%	45.5	8.6	431.3%	(140.0)	(76.9)	81.9%
Marketing service expenses	(115.8)	(194.8)	(40.6%)	(350.6)	(177.9)	97.0%	21.2	17.5	20.9%	(445.2)	(355.2)	25.3%
Staff costs	(222.1)	(291.5)	(23.8%)	(33.8)	(55.3)	(38.8%)	8.5	1.7	393.7%	(247.4)	(345.1)	(28.3%)
IT service expenses	(38.3)	(33.8)	13.0%	(12.6)	(3.6)	245.6%	1.7	—	N/A	(49.2)	(37.5)	31.2%
Other expenses	(121.5)	(76.5)	58.8%	(40.7)	(20.8)	95.4%	27.1	12.4	119.3%	(135.1)	(85.0)	58.9%
Net impairment losses on financial and contract assets	2.4	(1.3)	N/A	(0.4)	(0.1)	304.5%	—	—	N/A	2.0	(1.4)	N/A
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	(250.3)	(218.6)	(14.5%)	(368.6)	(222.5)	(65.7%)	(0.7)	(1.2)	(43.4%)	(619.6)	(442.3)	(40.1%)

THE FOLLOWING TABLE PRESENTS SELECTED CONSOLIDATED FINANCIAL DATA
FOR THE INTERNATIONAL OPERATIONS FOR Q4 2024 AND Q4 2023.

Consolidated statement of comprehensive income (audited), PLN m	International Operations										Total	
	Mall Segment			Allegro International			Eliminations					
	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %
GMV	412.6	911.8	(54.8%)	689.4	410.6	67.9%	(73.7)	(58.3)	26.4%	1,028.3	1,264.1	(18.6%)
of which 1P	338.7	759.3	(55.4%)	0.2	—	N/A	—	—	N/A	338.9	759.3	(55.4%)
of which 3P	73.9	152.5	(51.6%)	689.3	410.6	67.9%	(73.7)	(58.3)	26.4%	689.5	504.8	36.6%
Total revenue and other operating income	354.9	726.4	(51.1%)	66.1	36.8	79.5%	(34.4)	(39.6)	(13.2%)	386.6	723.6	(46.6%)
Revenue	354.8	726.4	(51.2%)	66.1	36.8	79.5%	(34.4)	(39.6)	(13.2%)	386.5	723.6	(46.6%)
Marketplace revenue	10.1	20.3	(50.4%)	43.7	26.3	65.7%	(3.3)	(3.8)	(12.2%)	50.4	42.8	17.6%
Advertising revenue	2.6	3.4	(24.3%)	10.0	3.8	163.6%	(6.5)	(6.9)	(5.9%)	6.0	0.3	2,048.6%
Retail revenue	285.8	635.7	(55.0%)	0.1	—	N/A	—	—	N/A	285.9	635.7	(55.0%)
Logistic Service Revenue	37.1	41.6	(10.7%)	9.6	6.7	43.0%	(18.3)	(13.2)	39.0%	28.4	35.1	(19.1%)
Other revenue	19.2	25.4	(24.5%)	2.8	—	N/A	(6.2)	(15.7)	(60.4%)	15.7	9.7	62.4%
Other operating income	0.1	—	N/A	—	—	N/A	—	—	N/A	0.1	—	N/A
Operating expenses	(396.3)	(773.2)	(48.7%)	(208.9)	(147.8)	41.3%	34.1	38.5	(11.3%)	(571.1)	(882.6)	(35.3%)
Payment charges	(2.1)	(3.6)	(41.8%)	(4.5)	(3.2)	43.2%	—	—	N/A	(6.6)	(6.8)	(2.2%)
Cost of goods sold	(248.8)	(557.8)	(55.4%)	(0.2)	—	N/A	1.9	4.3	(55.0%)	(247.0)	(553.5)	(55.4%)
Cost of delivery	(29.8)	(27.2)	9.6%	(34.8)	(13.3)	161.8%	16.4	7.9	107.8%	(48.3)	(32.6)	47.9%
Marketing service expenses	(32.0)	(66.3)	(51.7%)	(143.8)	(105.1)	36.8%	9.2	13.4	(31.1%)	(166.6)	(158.0)	5.4%
Staff costs	(45.5)	(70.6)	(35.5%)	(11.2)	(12.3)	(8.9%)	5.9	1.7	240.9%	(50.8)	(81.1)	(37.4%)
IT service expenses	(8.7)	(9.5)	(8.1%)	(3.6)	(1.0)	263.6%	0.8	—	N/A	(11.5)	(10.5)	9.7%
Other expenses	(34.0)	(38.6)	(12.0%)	(11.0)	(13.0)	(15.2%)	(0.1)	11.2	(101.1%)	(45.1)	(40.4)	11.6%
Net impairment losses on financial and contract assets	4.7	0.4	978.4%	0.1	—	N/A	—	—	N/A	4.8	0.4	1,084.8%
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	(41.4)	(46.8)	11.7%	(142.8)	(111.0)	(28.7%)	(0.3)	(1.2)	(76.1%)	(184.5)	(159.0)	(16.0%)

INTERNATIONAL OPERATIONS – MALL SEGMENT:

REVENUE

Revenue for the Mall Segment declined by PLN 862.9 million, or 37.1% YoY, from PLN 2,325.3 million in FY 2023 to PLN 1,462.3 million in FY 2024, while for Q4 2024 the revenue declined by PLN 371.4 million, or 51.1% YoY from PLN 726.4 million in Q4 2023 to PLN 354.9 million in Q4 2024. These decreases were primarily driven by restructuring of this legacy mainly 1P business, which drove GMV down by 42.0% YoY to PLN 1,759.3 in FY 2024 and by 54.8% YoY to PLN 412.6 million in Q4 2024. The restructuring of the Mall Segment is focused on eliminating loss making selection from its inventory while gradually transforming Mall Group companies into merchants trading solely on Allegro marketplaces and eliminating legacy software systems through migration onto the Group's proprietary solutions.

This GMV driven decline in retail revenue was partially offset through expansion in volumes carried by the Mall Segment's proprietary delivery business, WE|DO, which includes deliveries to the new Allegro marketplaces. As a result, logistic service revenue was up by 26.9% YoY in FY 2024 to PLN 118.3 million, held back in Q4 2024 by lower volumes due to closing of CZC legacy e-shop. The increase by PLN 25.1 million, or 72.4% YoY, in Other Revenue during FY 2024 resulted primarily from recharging of teams working on Allegro International Segment or Polish Operations' projects. Lower revenue also partially reflects foreign exchange headwinds of approximately PLN 124.4 million for FY 2024, i.e. 5.4 pp of the decline, including ca. PLN 12.2 million for Q4.

OPERATING EXPENSES

Operating expenses for the Mall Segment declined by PLN 831.30 million, or 32.7% YoY, from PLN 2,543.9 in FY 2023 to PLN 1,712.6 million in FY 2024, while for Q4 2024 the operating expenses declined by PLN 376.9 million, or 48.7% YoY from PLN 773.2 million in Q4 2023 to PLN 396.3 million in Q4 2024. Lower expenses predominantly reflect cost of goods sold and marketing expenses declining in line with retail revenue, but also a 23.8% YoY decrease in FY staff costs driven by ongoing restructuring of the Mall Group. These reductions were partially offset by higher costs of delivery where higher volumes of packages handled by WE|DO for third party customers and Allegro International Segment marketplaces significantly exceeded the decline in legacy volumes of the Mall Segment. This increase in volumes is reflected in growth of logistics revenue as described in the paragraph above. Other expenses increased YoY in FY 2024 by PLN 45 million, or 58.8%, as a result of contracted and agency workers costs reclassified from staff costs as compared to FY 2023, as well as increase of advisory and supervision charges from the Polish Operations. During 2024 the Group continued its work to transform the operations of the Mall Segment to meet new objectives now that Allegro's marketplaces are up and running. Staffing is being reduced or repurposed to work on Allegro marketplace activities and IT systems are being replaced with the Group wide solutions to increase operational efficiency.

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

EBITDA loss for the Mall Segment increased by PLN 31.7 million, or 14.5% YoY, from PLN – 218.6 in FY 2023 to PLN – 250.3 million in FY 2024, while for Q4 2024 the EBITDA loss declined by PLN – 5.4 million, or 11.7% YoY from PLN – 46.8 million in Q4 2023 to PLN – 41.4 million in Q4 2024. These changes resulted from the factors described above.

INTERNATIONAL OPERATIONS – ALLEGRO INTERNATIONAL SEGMENT:

REVENUE

Revenue for the Allegro International Segment increased by PLN 109.3 million, or 194.6% YoY, from PLN 56.1 million in FY 2023 to PLN 165.4 million in FY 2024, while for Q4 2024 the revenue increased by PLN 29.3 million, or 79.5% YoY from PLN 36.8 million in Q4 2023 to PLN 66.1 million in Q4 2024. These increases reflect the fact that this segment was launched in May 2023 with the opening of the Allegro.cz marketplace in Czech Republic, therefore its start-up operations were at a very early stage in FY 2023. The marketplace in Slovakia was launched at the end of February 2024, bringing a meaningful impact to the segment's results for FY 2024. Last but not least, the latest marketplace launch in Hungary in October 2024, although in a soft mode without investment in marketing, also provided incremental revenue to this segment. Although Take Rate was marginally lower by 0.04pp for FY 2024, average success fees rose slightly as introductory discounts became less important in the sales mix with the passing of time, while this effect was offset by reinvestment to fund discounts and rebates to support attractive offers and develop customer loyalty. All in all, revenue growth was predominantly driven by increase in GMV (+155.7% YoY) with some additional contribution provided by developing advertising and logistic services.

OPERATING EXPENSES

Operating expenses for the Allegro International Segment increased by PLN 255.5 million, or 91.7% YoY, from PLN 278.6 in FY 2023 to PLN 534.1 million in FY 2024, while for Q4 2024 the operating expenses increased by PLN 61.1 million, or 41.3% YoY from PLN 147.8 million in Q4 2023 to PLN 208.9 million in Q4 2024. These increases in FY 2024 were driven predominantly by PLN 172.7 million higher YoY marketing expenses and PLN 69.4 million higher YoY cost of delivery (PLN 38.7 million and PLN 21.5 million in Q4 2024, respectively), which reflect start-up marketing investments in the marketplaces and costs related to free deliveries under Smart! Program as well as the fact that in 2023 only the Czech marketplace was operational for 8 months of the year, while on top of full year of Allegro.cz activity in 2024 new marketplaces in Slovakia and Hungary were launched in February and October 2024, respectively.

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

EBITDA loss for the Allegro International Segment increased by PLN 146.1 million, or 65.7% YoY, from PLN 222.5 million EBITDA loss in FY 2023 to PLN 368.6 million loss in FY 2024, while for Q4 2024 the EBITDA loss increased by PLN 31.8 million, or 28.7% YoY from PLN 111.0 million in Q4 2023 to PLN 142.8 million in Q4 2024. These results reflect the investments in scaling up the marketplace business in Czechia as well as roll-out of the Allegro 3P marketplace in two more countries during 2024, Slovakia in Hungary, as described above. At the same time, the EBITDA loss to GMV for FY 2024 improved YoY by 11.8 pp to negative 21.8%.

2.2.4
GROUP TOTAL COMPREHENSIVE INCOME RECONCILIATION

Consolidated statement of comprehensive income, PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
EBITDA Polish Operations	3,452.1	2,859.3	20.7%	943.6	882.5	6.9%
EBITDA International Operations	(619.6)	(442.3)	(40.1%)	(184.5)	(159.0)	(16.0%)
Eliminations & other	(1.4)	(2.9)	(50.3%)	(1.0)	(2.8)	(63.3%)
EBITDA	2,831.0	2,414.1	17.3%	758.1	720.7	5.2%
Amortisation, Depreciation and Impairment losses of non-current non-financial assets	(1,044.0)	(1,624.0)	(35.7%)	(308.2)	(871.6)	(64.6%)
Amortisation	(711.9)	(730.0)	(2.5%)	(190.6)	(168.9)	12.9%
Depreciation	(250.5)	(244.1)	2.6%	(64.7)	(67.0)	(3.5%)
Impairment losses of non-current non-financial assets	(81.6)	(649.9)	(87.4%)	(52.9)	(635.6)	(91.7%)
Operating profit	1,787.1	790.1	126.2%	449.9	(150.9)	N/A
Net financial result	(343.7)	(290.0)	(18.5%)	(95.0)	(45.5)	(108.7%)
Financial income	135.6	74.3	82.6%	40.1	17.0	136.3%
Financial costs	(446.9)	(290.9)	53.6%	(131.9)	(4.5)	2,808.5%
Foreign exchange profits/(losses)	(32.4)	(73.3)	55.8%	(3.2)	(58.0)	94.4%
Profit before income tax	1,443.4	500.2	188.6%	354.9	(196.4)	N/A
Income tax expenses	(408.8)	(216.1)	89.2%	(102.3)	(37.2)	174.9%
Net profit	1,034.6	284.1	264.2%	252.6	(233.6)	N/A
Other comprehensive income/(loss)	(12.1)	(229.1)	94.7%	24.7	(26.8)	N/A
Total comprehensive income for the period	1,022.4	54.9	1,762.0%	277.3	(260.4)	N/A

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

Amortisation, depreciation and impairment losses of non-current non-financial asset decreased by PLN 580.0 million, or 35.7% from PLN 1,624.0 million for FY 2023 to PLN 1,044.0 million for FY 2024, whereas amortisation, depreciation and impairment losses of non-current non-financial asset decreased by PLN 563.4 million, or 64.6%, from PLN 871.6 million for

Q4 2023 to PLN 308.2 million for Q4 2024. These decreases result predominantly from a fall in impairment losses from PLN 649.9 million in 2023 to PLN 81.6 million in 2024. The impairment of intangible assets related to the Mall Segment recognized in Q4 2023 lowered the balance of non-current assets, hence lower amortisation.

NET FINANCIAL RESULT

Net financial result worsened by PLN 53.7 million, or 18.5%, from a net expense of PLN 290.0 million for FY 2023 to a net expense of PLN 343.7 million for FY 2024, whereas for Q4 2024 net financial result worsened by PLN 49.5 million, or 108.7%, from a net expense of PLN 45.5 million for Q4 2023 to a net expense of PLN 95.0 million for Q4 2024.

The decline is mainly driven by the movement in the valuation of Group borrowings at amortised cost. The Group recognised a PLN 28.5 million of non-cash charges in financial expenses in Q4 2024 is connected with standard amortised cost settlement while in the comparable period the Group recognised a non-cash income in the amount of PLN 109.1 million primarily connected to refinancing in Q4 2023, which amended and extended duration of the Senior Facilities Agreement by two years. A further headwind came from the expiration of deeply in the money interest rate swap contracts in June 2024, which resulted in incomes from such contracts dropping by PLN 92.3 million in H2 2024, relative to the prior half year.

The above items were partly offset by lower costs of servicing the Group's borrowings. The Group debt servicing cost decreased to PLN 471.1 million in FY 2024, as compared to PLN 577.8 million in the previous year as a result of a decrease in the WIBOR reference rate in Q3 2023. Additionally, due to continued improvement in the Group's leverage, the financing margin has improved throughout FY 2023 and FY 2024. Furthermore the improvement was enhanced by PLN 242.5 million reduction in the principal amount of borrowings after the financing "amend and extend" process in Q4 2023. The Group also voluntarily repaid a further PLN 300 million of the principal in December 2024, however the impact on net financial result in FY 2024 was marginal.

Finally, the Group's net financial result for FY 2024 was impacted by foreign exchange losses of PLN 33.2 million driven by the strengthening of PLN which resulted in a recognition of both realised and unrealised losses arising mainly on assets denominated in CZK.

INCOME TAX EXPENSES

Income tax expenses increased by PLN 192.7 million, or 89.2%, from PLN 216.1 million for FY 2023 to PLN 408.8 million for FY 2024, whereas for Q4 2024 income tax expenses increased by PLN 65.1 million, or 174.9%, from PLN 37.2 million for Q4 2023 to PLN 102.3 million for Q4 2024.

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 Poland. Luxembourg companies are subject to taxation at 24.94% rate, in Slovakia at 21%, in Slovenia at 22%, in Hungary at 9% and in Croatia at 18%. Effective 1 January 2024, the corporate income tax rate in the Czech Republic has been increased from 19% to 21% and in Slovenia from 19% to 22%.

The decrease in net deferred tax liability changed by PLN 94.5 million, or 65.4%, from PLN 144.4 million for FY 2023 to PLN 49.9 million for FY 2024, and resulted mainly from impairment losses recognized in 2023 on the assets of Mall Group a.s. causing the deferred tax liability initially recognised under purchase price allocation, being brought to P&L.

The effective tax rate for FY 2024 was 28.3%. The high effective tax rate resulted primarily from tax charges in relation to prior periods, as well as unrecognised deferred tax assets arising on the losses incurred by the Mall Segment.

PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
Current income tax on profits	(433.0)	(373.7)	15.9%	(117.0)	(135.2)	(13.5%)
Adjustments for current tax of prior periods	(25.8)	13.1	(295.9%)	(0.3)	(0.2)	89.2%
(Increase)/Decrease in net deferred tax liability	49.9	144.4	(65.4%)	15.0	98.2	(84.7%)
Income tax expense	(408.8)	(216.1)	89.2%	(102.3)	(37.2)	174.9%

The Group does not identify any 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.

NET PROFIT

Net profit increased by PLN 750.5 million, or 264.2%, from PLN 284.1 million for FY 2023 to PLN 1,034.6 million for FY 2024, whereas for Q4 2024 net profit increased by PLN 486.2 million, from a loss of PLN 233.6 million for Q4 2023 to a profit of PLN 252.6 million for Q4 2024.

ADJUSTED NET PROFIT

Adjusted net profit increased by PLN 341.6 million, or 42.5%, from PLN 804.2 million for FY 2023 to PLN 1,145.8 million for FY 2024, when PLN 164.0 million of EBITDA adjustments net of PLN 46.5 million of tax effect on these adjustments and PLN 5.4 million positive impact of remeasurement of borrowings are excluded.

For Q4 2024 adjusted net profit increased by PLN 45.3 million, or by 20.2% YoY, from PLN 224.4 million for Q4 2023 to PLN 269.7 million, when PLN 32.8 million of EBITDA adjustments net of PLN 9.5 million of tax effect on these adjustments and PLN 5.4 million positive impact of remeasurement of borrowings are excluded.

The increase in the adjusted net profit YoY reflects predominantly growth in EBITDA of Polish Operations, partially offset by lower net financial result and higher income tax expense.

The following table presents a reconciliation between reported and adjusted net profit for the period under review.

PLN m	FY 2024	FY 2023	Change %	Q4 2024	Q4 2023	Change %
Net profit/(loss)	1,034.6	284.1	264.2%	252.6	(233.6)	N/A
EBITDA adjustments	164.0	126.0	30.2%	32.8	31.1	5.3%
Tax impact of EBITDA adjustments	(46.5)	(20.9)	122.9%	(9.5)	(2.6)	268.7%
Impairment, financial result and tax adjustments	(5.4)	415.0	(101.3%)	(5.4)	429.5	(101.3%)
Impairment of non-financial assets	—	505.6	(100.0%)	—	505.6	(100.0%)
Remeasurement of borrowings	(5.4)	(76.1)	(92.9%)	(5.4)	(76.1)	(92.9%)
Impact of tax proceedings	—	(14.5)	(100.0%)	—	—	N/A
Adjusted net profit	1,146.7	804.2	42.6%	270.5	224.4	20.5%

OTHER COMPREHENSIVE INCOME

Other comprehensive income increased by PLN 217.0 million, or PLN 94.7% from a loss of PLN 229.1 million for FY 2023 to a loss of PLN 12.1 million for FY 2024, whereas for Q4 2024 other comprehensive income increased by PLN 51.5 million, from a loss of PLN 26.8 million for Q4 2023 to a gain of PLN 24.7 million for Q4 2024. These losses in equity mainly result from reclassification of previously recognised fair value gains on cash flow hedges to income as those interest rate swap contracts were settled for cash receipts during 2024. The lower loss recorded for 2024 in comparison to the prior year period was however mainly due to fair value gains on the Group's remaining cash flow hedges of PLN 62.7 million, compared to a loss of PLN 29.0 million last year, and a swing of exchange differences on translation of foreign operations from a loss of PLN 42.4 million in 2023 to a gain of PLN 18.0 million in 2024.

2.2.5
REVIEW OF GROUP CASH FLOW PERFORMANCE

The following table summarises net cash flows from operating, investing and financing activities for FY 2024, FY 2023, Q4 2024 and Q4 2023.

Cash Flow, PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
Net cash inflow/(outflow) from operating activities	3,623.2	2,540.9	42.6%	960.9	896.1	7.2%
Profit before income tax	1,443.4	500.2	188.6%	354.9	(196.4)	N/A
Income tax paid	(327.5)	(365.2)	(10.3%)	(68.2)	(103.8)	(34.3%)
Amortisation and depreciation and impairment of non-current non-financial assets	1,044.0	1,624.0	(35.7%)	308.2	871.6	(64.6%)
Net interest expense	394.8	248.9	58.6%	122.0	(2.7)	N/A
Changes in net working capital	895.4	342.4	161.6%	202.8	225.5	(10.1%)
Other operating cash flow items	173.1	190.7	(9.2%)	41.3	102.0	(59.5%)

TOTAL COMPREHENSIVE INCOME

Total comprehensive income increased by PLN 967.5 million, or 1,762.0%, from PLN 54.9 million for FY 2023 to PLN 1,022.4 million for FY 2024, whereas for Q4 2024 total comprehensive income increased by PLN 537.7 million, from a loss of PLN 260.4 million for Q4 2023 to a gain of PLN 277.3 million for Q4 2024.

Cash Flow, PLN m	FY 2024 (audited)	FY 2023 (audited)	Change %	Q4 2024 (unaudited)	Q4 2023 (unaudited)	Change %
Net cash inflow/(outflow) from investing activities	(640.5)	(466.8)	37.2%	(181.9)	(120.6)	50.9%
Capitalised development costs	(389.3)	(359.2)	8.4%	(102.3)	(81.5)	25.4%
<i>of which Polish Operations</i>	<i>(348.9)</i>	<i>(299.6)</i>	<i>16.5%</i>	<i>(91.8)</i>	<i>(70.8)</i>	<i>29.8%</i>
<i>of which International Operations</i>	<i>(40.4)</i>	<i>(59.6)</i>	<i>(32.3%)</i>	<i>(10.4)</i>	<i>(10.8)</i>	<i>(3.4%)</i>
Other capital expenditure	(229.4)	(111.3)	106.1%	(82.0)	(39.2)	109.4%
<i>of which Polish Operations</i>	<i>(184.2)</i>	<i>(92.3)</i>	<i>99.6%</i>	<i>(69.4)</i>	<i>(28.5)</i>	<i>143.8%</i>
<i>of which International Operations</i>	<i>(47.4)</i>	<i>(19.0)</i>	<i>149.9%</i>	<i>(14.9)</i>	<i>(10.7)</i>	<i>38.7%</i>
Intersegment eliminations	2.2	—	N/A	2.2	—	N/A
Purchase of mutual fund units	(25.0)	—	N/A	—	—	N/A
Other investing cash flow	3.3	3.6	(10.1%)	2.3	0.1	1,915.4%
Net cash inflow/(outflow) from financing activities	(967.3)	(883.9)	9.4%	(555.8)	(455.8)	21.9%
Acquisition of treasury shares	(103.9)	(87.6)	18.6%	(103.9)	(67.6)	53.8%
Borrowings received	—	245.0	(100.0%)	—	245.0	(100.0%)
Borrowings repaid	(300.0)	(487.5)	(38.5%)	(300.0)	(487.5)	(38.5%)
Interest paid	(473.8)	(576.8)	(17.9%)	(111.2)	(125.9)	(11.7%)
Interest rate hedging instrument settlements	105.8	234.9	(54.9%)	6.1	57.6	(89.5%)
Lease payments	(185.0)	(166.1)	11.4%	(45.8)	(44.3)	3.5%
Other financing cash flow	(10.5)	(45.7)	(77.0%)	(0.9)	(33.0)	(97.4%)
Net increase/(decrease) in cash and cash equivalents	2,015.4	1,190.1	69.3%	223.2	319.8	(30.2%)
Effect of movements in exchange rates on cash held	(5.6)	(18.6)	(70.0%)	(0.3)	(18.6)	(98.6%)

NET CASH FROM OPERATING ACTIVITIES

Net cash from operating activities increased by PLN 1,082.3 million, or 42.6% YoY, from PLN 2,540.9 million for FY 2023 to PLN 3,623.2 million for FY 2024, whereas for Q4 2024 it increased by PLN 64.8 million, or 7.2%, from PLN 896.1 million for Q4 2023 to PLN 960.9 million. This full year progress comes mainly from the increase in profit before income tax, which rose by PLN 943.2 million, or 188.6% YoY, less the key non-cash component of amortisation, depreciation and impairment which was lower in 2024 by PLN 580.0 million after there was no repeat of the significant Mall Segment impairment in 2023. This difference was partially offset by a 58.6%, or PLN 145.9 million higher net interest expense for 2024, being added back to profit before income tax.

Net cash from operating activities was also supported by a higher net working capital inflow of PLN 553.0 million or 161.6% in comparison with 2023. Significantly higher inflow is mainly connected with the introduction of an automatic merchant fee netting mechanism that took place in the second half of 2023 and completed at the end of February 2024.

NET CASH USED IN INVESTING ACTIVITIES

Net cash outflow from investing activities in FY 2024 increased by PLN 173.6 million, or 37.2% YoY, from PLN 466.8 million for FY 2023 to PLN 640.5 million for FY 2024, whereas for Q4 2024 it increased by PLN 61.3 million, or 50.9% YoY, from PLN 120.6 million for Q4 2023 to PLN 181.9 million for Q4 2024. The main factor of this increase was growth of capitalised development costs, mainly connected with growth of staff and contractors costs by over PLN 100 million YoY in the Tech area, of which PLN 49.4 million was capitalized. At the same time capitalization ratio dropped by 3.5pp (negative PLN 19.3 million), which was an effect of implementing more accurate time-off monitoring and allocation of management & administrations work starting from H2 2023.

This change resulted in the significant decrease in trade receivables balance, which dropped by a total of PLN 729.7million in 2024 and by PLN 223.5 million in 2023. This was partially offset by higher outflow connected with Allegro Pay consumer loans growing balance as the Group decided to slightly increase the amount of its own cash invested. It resulted in an outflow in working capital of PLN 99.9 million in FY 2024, higher compared to an outflow of PLN 36.4 million in the comparable prior period. Another offsetting factor was shrinking inventory balance in line with the transformation of the Mall segment operations. Inflow in 2024 amounted to PLN 119.2 million and was lower by PLN 49.1 million in comparison with PLN 168.3 million in 2023 as the right sizing of Mall business is closer to be completed.

Net cash from operating activities in Q4 2024 in comparison with Q4 2023 was mainly driven by higher profit before tax by PLN 551.3 million offset by lower impairment provision in the amount of PLN 563.4 million. Higher net interest expense and lower net tax income led to overall improvement by PLN 64.6 million.

The YoY increase in net cash used in investing activities in FY 2024 was limited by the investments in translations prior to the launch of Allegro.cz and related increased development activities that occurred in H1 2023.

The 109.4% YoY increase in other capital expenditure in Q4 2024 reflects deployment of more APM machines and investments in courier delivery depots, sorting technology, IT equipment and copyrighted marketing content. In the International Operations, the ramp up of Allegro APMs in the Czech Republic was the main reason for the YoY jump in the investment.

NET CASH USED IN FINANCING ACTIVITIES

Net cash outflow from financial activities increased by PLN 83.4 million, or 9.4% YoY, from PLN 883.9 million for FY 2023 to PLN 967.3 million for FY 2024, whereas for Q4 2024 the net cash outflow increased by PLN 100.0 million, or 21.9%, from PLN 455.8 million for Q4 2023 to PLN 555.8 million for Q4 2024. These increases were primarily driven by the expiration of selected interest rate swap contracts in June 2024, which resulted in receipts from these hedging instruments falling by almost half compared to the prior year. The increase in net cash outflow from financing activities was further driven by the reduction of Group's borrowings through repayment of PLN 300 million of principal in FY 2024, compared to the net reduction of PLN 242.5 million of principal in FY 2023. Moreover, net cash used in financing activities in FY 2024 was impacted by execution of the share buyback programme under Allegro's employee incentive plan which required purchasing more shares in comparison with the previous year.

The net cash used in financing activities was improved by the interest paid on the Group's borrowings, which decreased by PLN 103.0 million YoY compared to prior year and amounted to PLN 473.8 million for FY 2024. This was driven by a decrease in WIBOR reference rate starting in Q3 2023. Interest expense decreased also thanks to continued improvement in the Group's leverage, resulting in improved financing margin throughout FY 2023 and FY 2024, as well as principal debt prepayments of PLN 242.5 million in Q4 2023 and PLN 300 million in Q4 2024.

2.2.6
GROUP INDEBTEDNESS

PLN m (unaudited)	31.12.2024	31.12.2023
LTM Adjusted EBITDA Polish Operations	3,586.5	2,957.6
LTM Adjusted EBITDA International Operations	(590.0)	(414.6)
LTM Intersegment eliminations	(1.4)	(2.9)
Adjusted EBITDA LTM	2,995.0	2,540.1
Borrowings at amortised cost	5,788.2	6,067.5
Lease liabilities	573.7	617.6
Cash	(4,058.9)	(2,049.1)
Net Debt	2,303.0	4,635.9
Leverage	0.77 x	1.83 x
Equity	10,087.2	9,043.3
Net debt to Equity	22.8%	51.3%

As of 31 December 2024, the Group's total borrowings were PLN 5,788.2 million, representing PLN 5,957.5 million of principal and interest accrued, further adjusted to be presented at amortised cost.

As at 31 December 2024, all the Group's gross debt falls due in October 2027, following the Group's amendment and extension of maturity by 24 months in November 2023 of all credit facilities under the Senior Facilities Agreement ("SFA").

In December 2024 the Group voluntarily prepaid PLN 300 million of the borrowings. As a result the Group reduced the principal amount in total borrowings from PLN 6,257.5 million down to PLN 5,957.5 million.

The SFA includes the following facilities:

- i) PLN 5,257.5 million senior secured Term Loan B;
- ii) PLN 700.0 million under Additional Facility which was drawn in the amount of PLN 1,000.0 million to fund the Mall Group / WE|DO acquisition, and partially repaid by PLN 300.0 million in December 2024;

iii) PLN 500 million multi-currency Revolving Credit Facility ("RCF");

iv) PLN 500.0 million Additional Revolving Credit Facility ("Additional RCF").

Both revolving facilities of PLN 500 million each were available to the Group, but undrawn at 31 December 2024 and as of the date of this report.

The Group's leverage continued to decline rapidly, by 1.06x during FY 2024, to reach 0.77x at the end of December 2024. The improvement was mainly driven by increase in LTM Adjusted EBITDA in the Polish Operations, and by a significant increase in the cash balance by PLN 1,999.3 million, generated from operating cash inflows and further boosted by the full implementation of automated merchants' fee netting mechanism that was completed in Q1 2024. Moreover the cash balance improved as a result of higher sales of consumer loans originated by Allegro Pay to the new partner: Banco Santander S.A.



This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

3.

Summary of key developments

The Group deems the developments described below as important for its business in 2024 and beyond.

3.1 Rollout and development of international marketplaces

Building on the successful launch of Allegro.cz in the Czech Republic in 2023, the Group continued the rollout of its 3P marketplace model with the launch of Allegro.sk, a fully tailored e-commerce platform for the Slovak market. Allegro.sk entered the market in February 2024, with a large marketing campaign beginning in March 2024, offering a competitive platform designed to meet the needs of local consumers. The Slovak launch was followed by the soft launch of Allegro.hu in Hungary in October 2024. Opening the marketplace in Hungary further solidified Allegro's presence in Central and Eastern Europe, extending its total addressable market to over 60 million people across the region. By the end of 2024, international marketplaces, Allegro.cz, Allegro.sk and Allegro.hu attracted over 3.3 million Active Buyers, with 2.6 million of those shoppers new to the Group.

The new platforms aim to operate based on the "list once, sell everywhere" rule, enabling the merchants to easily sell cross border, on other Allegro marketplaces. Allegro.cz, .sk and .hu symbolize significant progress in the Group's mission to become the leading marketplace in the region.

3.2 Allegro Pay

2024 marked another period of strong growth and innovation for Allegro Pay, underlining its position as a key growth engine for Allegro. By mid 2024, it reached over 2 million active users, with an exceptional Net Promoter Score (NPS) of 94, showcasing strong customer trust and satisfaction.

Allegro Pay loans origination for FY 2024 reached PLN 10.8 billion, posting a 30.3% year-on-year growth. From this amount, 78% went to funding 13.9% of Allegro's GMV, up by 1.6 pp YoY. Loan consolidation and refunded transactions accounted for the remaining 22%.

In March 2024, the Group entered into a Participation Agreement with Banco Santander S.A. related to the consumer loans originated by Allegro Pay. Under the Agreement, Banco Santander participates in the proposed financed consumer credits on a revolving basis up to a total amount of PLN 3 billion. The initial limit granted is PLN 1 billion. An additional PLN 2 billion is optional for Banco Santander. Based on the contractual arrangements Allegro Pay transfers the right to receive principal cash-flows of the selected portfolio of loans to the financing partner, whilst retaining the right to collect the interest and fees arising on those cash-flows.

The Group also launched a pilot of Allegro Cash, an innovative new cashback program designed to reward users for shopping on the platform and allowing Allegro Smart! subscribers to earn up to 2% cashback on selected purchases. The service is offered in collaboration with Aion Bank and Vodeno, making it easy for users to manage funds through an integrated Allegro Cash account. Following several months of testing and experimentation with the

Allegro Cash value proposition, the Allegro Pay team concluded that Allegro Cash in its existing form was not delivering its business objectives. As a result, in January 2025, the Group terminated the Cooperation Agreement among Allegro Pay sp. z o.o., Allegro sp. z o.o., Aion Bank SA / NV and Vodeno sp. z o.o. regarding the services in the Banking-as-a-Service model and decided to review strategic options for the future of Allegro Cash service. The service will be supported during the 6-month termination period expiring on 31 July 2025. Allegro and Allegro Pay will decide by the termination date if the Allegro Cash service will be continued in a revised form.

In a further, and more significant, innovation, Allegro Pay launched the Allegro Pay Visa card, developed in partnership with Visa. This new payment card enables users to extend the benefits of Allegro Pay beyond the Allegro platform. Customers can now use their existing Allegro Pay credit limits for purchases both online and offline stores. The card allows payments to be postponed by 30 days and the integration of the card into the Allegro Pay user panel ensures seamless management without requiring additional accounts or apps. It extends the platform's reach and enables customers to use their favorite payment service in everyday transactions, significantly boosting the scale of supported transactions and accelerating revenue growth from financial services.

As Allegro continues to innovate and expand, Allegro Pay remains at the forefront, providing a secure, user-friendly, and flexible financial solution. The service has played a critical role in enhancing the shopping experience for millions, supporting Allegro's growth.

3.3

Further development of Allegro One and launch of Allegro Delivery

Throughout 2024 the Group continued to develop its logistics brand, “Allegro One”, which includes “One Box” green parcel lockers, “One Fulfilment” service for merchants, “One Punkt” pick-up points, and “One Kurier” courier services, together ensuring that the Group has end-to-end capabilities to deliver a proportion of Allegro’s parcel volumes on its own account, with its delivery network suppliers delivering the rest.

During 2024, The Group also continued to expand its One Box green parcel lockers network, reaching 4,562 machines in Poland and 501 lockers in Czechia by the end of 2024. Within the One by Allegro brand, buyers can also use a network of approximately 3,340 One Punkt by Allegro pick-up points.

The Group also further developed One Kurier, Allegro’s own courier delivery service. During 2024, One Kurier expanded its network to 14 depots, reaching 28 of the largest Polish cities and surrounding areas. Within these catchment areas, One Kurier can pick up from Allegro merchants’ warehouses and deliver those parcels either direct to home, to Allegro One lockers or to One Punkt PUDO points. Where pick-ups are required outside of the One Kurier catchment areas, Allegro cooperates with partner national delivery networks to pick-up packages and deliver to consumers’ homes, APMs (including One Box APMs) and PUDOs nationwide. As a result of these investments and rapid scale up of capacity, Allegro One has been able to increase parcel volumes handled by over 2.2x YoY.

Underlining the importance of delivery as a key growth engine for Allegro, 2024 saw the launch of critical new delivery services that will be cornerstones of Allegro’s delivery strategy for years to come. In effect, Allegro Delivery combines pick-up and delivery capabilities of multiple partners into the same end-to-end service experience for Allegro’s

consumers, regardless of which Allegro Delivery partner’s APM has been selected by the consumer to handle their order. Allegro Delivery’s three partner networks together had approximately 11k APMs installed around Poland and were able to handle a significant proportion of total Allegro consumer demand for APM deliveries.

In January 2024 Allegro signed with InPost an annex to the Framework Agreement of 12 September 2020. The annex introduced changes with respect to price indexation of charges for volumes to be delivered by InPost in the period from November 2023 to December 2024. The key outcome was that the price indexation increase for volumes delivered between January and December 2024 would depend on the actual year-on-year growth in the volumes delivered for Allegro by InPost during that period. The indexation would have decreased from 12.8% towards a minimum of 6% as volume growth increases, based on an agreed grid. Allegro successfully delivered the targets and achieved a price indexation towards the lower end of available range.

In addition, price indexation clauses for subsequent years are unchanged except for the fact that the increases under the existing contract will be moved to cover calendar years for the sake of greater clarity and predictability. Consequently, prices have been reset from 1 January 2025 to reflect the November 2023 inflationary increase and the 2024 inflationary increase into the standard rate cards.

As a result, APM deliveries to networks other than InPost are materially more cost effective for Allegro for 2025. Accordingly Allegro is planning to extend volumes delivered through One Box and its Allegro Delivery partners as a key priority and has announced changes to the co-financing rates for 2025 that reflect the higher costs of delivering to InPost lockers.

3.4

Appointment of a new Chairman of the Board and Chairwoman of the Audit Committee

On 26 June 2024, the Annual General Meeting of the Company (“2024 AGM”) appointed Gary McGann and Laurence Bourdon-Tracol as independent non-executive directors of the Company for a three-year term. Mr. Gary McGann was appointed as the new Chairman of the Board and Ms. Laurence Bourdon-Tracol as a chairwoman of the audit committee of the Board.

Gary McGann has chaired complex international listed companies and has profound experience as an executive and non-executive director. Laurence

Bourdon-Tracol has extensive board and governance experience, as an executive and non-executive director and her 25-year executive career spans multiple e-commerce marketplaces in consumer technology. Together with resignations of Darren Huston, Carla Nutselling and Pawel Padusinski becoming effective at the 2024 AGM, these new appointments result in the Board of Directors dropping from eleven to ten members. The composition of the Board is now 60% independent, reaching the Group’s stated objective of majority independence more than two years ahead of schedule which foreseen the target of 1 September 2026.

3.5

Announcement of intention to stand-down by the Allegro CEO

On 13 October 2024, Mr. Peticucci and the Board of Directors of Allegro.eu agreed that Mr. Peticucci will stand down from his corporate positions in the Allegro Group, including Executive Director and CEO of Allegro.eu and President of the Management Board of Allegro sp. z o.o., with effect as of 26 June 2025 when the 2025 AGM is expected to take place. Mr. Peticucci and the Board agreed that it is an opportune time to change leadership as the company is well positioned to deliver on future growth opportunities. Mr. Peticucci will move from the CEO role to act as a Special Advisor to the Group and Allegro will continue to benefit from his e-commerce expertise. Mr. Peticucci will work

to ensure a smooth and orderly transition. The Board has begun the search for a new CEO and will announce a successor in due course.

Under Mr. Peticucci’s leadership since September 2022, the Allegro Group has significantly improved its financial performance whilst building on its position as Poland’s leading marketplace. The Allegro Group has successfully launched its marketplace model outside of Poland and rapidly developed its capabilities in key growth engines including advertising, fintech and logistics. The Allegro Group is today in robust financial health and has the flexibility to invest to accelerate future profitable growth.

Overview of significant events occurring after the reporting period is available in Notes to the Consolidated Financial Statements, Note 38 “Events occurring after the reporting year”

4.

Expectations for the Group

MEDIUM TERM BUSINESS OBJECTIVES AND ASPIRATIONS

As part of its annual planning and budgeting process, which includes rolling forward its medium term financial plan, the Group's Board of Directors and Executive Team considered the continuing relevance of the Group's Medium Term Aspirations, which were originally published on 30 March 2023 and extended in March 2024. In addition, the Board also considered the ongoing relevance of the Medium Term Business Objectives and concluded that no modifications were needed for 2025. The Medium Term Business Objectives are as follows:

- **Grow Core Marketplace**
 - Easy and safe to shop, simple to sell
 - Increasingly loyal customers
- **Build New Engines**
 - Strong advertising
 - Seamless fintech solutions
 - Low cost and reliable delivery
- **Expand Internationally**
 - Systematic introduction of our asset-light marketplace
 - Complete Mall Segment turnaround
- **Ensure Solid Fundamentals**
 - Groupwide system architecture & software development processes
 - People & Culture, ESG

It was noted that execution of the Group's priority framework throughout 2023 and 2024 has been successful and resulted among others in a significant margin improvement in Poland and rapid reduction in Group leverage. The progress has been such that Medium Term Aspirations need to be positively updated in respect to both metrics.

Moreover, the much improved leverage position allows the Group to implement a clear Capital Allocation Policy safeguarding appropriate discipline in use of its financial liquidity. Medium Term Aspirations and Capital Allocation Policy should be considered jointly due to their interdependence.

Accordingly, the updated **Medium Term Aspirations** in respect to growth and profitability are as follows:

- Continue profitable growth in Poland, focusing on under-indexed categories, to deliver low double-digit GMV CAGR;
- Sustain step-up in Polish Adjusted EBITDA to GMV margin in 5.5-5.9% range;
- Accelerate Group GMV growth with focus on Allegro marketplaces in Czechia, Slovakia and Hungary before any new launches;
- Complete Mall Segment transformation into lean merchant model in 2025, targeting full year cash positive contribution to the Group in 2026;
- Each Allegro marketplace to break-even within 4 years from launch.

Medium Term Aspirations in relation to investment funding are as follows:

- From Polish Adjusted EBITDA, invest:
 - Up to 25% to fund Polish capex, including 3-4 years of accelerated logistics projects to reduce delivery costs;
 - Declining from 15% to nil by the end of 2028 to fund International Operations:
 - Marketplace start-up investments;
 - Complete the Mall transformation;
 - Capital expenditures.
- Maintain leverage and liquidity targets while returning surplus cash to shareholders, as defined in the Capital Allocation Policy.

CAPITAL ALLOCATION POLICY

The Capital Allocation Policy, as adopted by the Board of Directors, defines following key principles:

- Allegro's primary focus is to invest in its medium term business objectives to drive further organic and profitable growth;
- Allegro's medium to long term plans should be designed while maintaining a modest gross and net leverage and retaining appropriate liquidity to maintain operational flexibility;
- The Group may allocate capital to bolt-on and capability focused M&A opportunities to supplement and accelerate organic growth;
- Allegro intends to return surplus capital to shareholders through the repurchase of shares with decisions made year to year.

In terms of the above mentioned leverage and liquidity, the Board further detailed the guide rails as:

- Net and Gross Debt to Adjusted EBITDA at 1.0x and 2.0x, respectively,
- flexibility for both metrics in a +/- 0.5 range;
- Liquidity at 20-30% of LTM revenue.

Finally, reflecting upon intention of capital returns to shareholders and as a result of thorough analysis of the cashflow sources and uses targeted for 2025, the Board acknowledged that:

- Allegro's capacity for share buyback in 2025 is PLN ~1.4 bn;
- The Board recommends adoption of share buyback to be voted by shareholders at AGM in June 2025.

TARGETS AND EXPECTATIONS FOR 2025

The Board has accepted the Management's recommendation that the Group should implement a policy of providing annual guidance for the current financial year. The Management noted that transformation of the Mall Segment is close to completion and the Allegro International marketplaces have been launched in the three largest countries of the

Mall Region, with baseline performance established. In this situation, Management believes that performance of the Group's International Operations are now sufficiently stable to allow a full year outlook to be provided to investors.

The Group's expectations for 2025 are presented below:

	Polish Operations	International Operations		Consolidated Group	Comments
		Marketplaces	Mall Segment		
GMV	PLN 66.2-67.4 bn 9-11% YoY growth	PLN 2.4-2.5 bn 40-50% YoY growth	PLN 0.6-0.8 bn 55-65% YoY decline	PLN 69.2-70.7 bn 8-11% YoY growth	- Steady organic growth in Poland - Mall legacy stores to close in H1 - Accelerating International growth in H2 - Mall decline largely offset by new marketplaces growth
Revenue	PLN 10.8-11.1 bn 14-17% YoY growth	PLN 0.26-0.27 bn 55-65% YoY growth	PLN 0.6-0.8 bn 45-55% YoY decline	PLN 11.7-12.1 bn 7-11% YoY growth	- Expansion of Advertising revenue as % of GMV - Uptick in Smart! delivery co-financing share in Poland front-loaded to Q1 1P Mall still over indexed in Group (final year)
Adjusted EBITDA ^[1]	PLN 3.9-4.0 bn 8-12% YoY growth	PLN 0.35-0.40 bn loss +/- 7% YoY change	PLN 0.15-0.17 bn loss 20-30% YoY better	PLN 3.3-3.5 bn 10-17% YoY growth	- Stable GMV margin objective for Poland - Start-up investments in international marketplaces offset lower loss at Mall - The last year of Mall turnaround bearing costs of sell-out and legacy systems closures
CAPEX ^[2]	PLN 0.85-1.0 bn 60-90% YoY growth	PLN 40-50 m	PLN 30-40 m	PLN 0.95-1.1 bn 50-75% YoY growth	Ramp-up of investment in logistics in Poland

[1] Adjusted EBITDA defined as EBITDA pre group restructuring and development costs, stock-based compensation and other one-off items

[2] Represents cash capex and does not include leased assets (which are presented in balance sheet)

5.

Current Trading

POLISH OPERATIONS

During the quarter to date, GMV growth has on average been in high single digits. February was cool, unlike the unseasonally warm prior year, resulting in spring season demand still being ahead. Easter falling fully in Q2 for 2025, when last year it partially fell into Q1, is also likely to be supportive for March growth. It should also be noted that Q1 this year is missing a day compared to 2024 which was a leap year.

INTERNATIONAL OPERATIONS

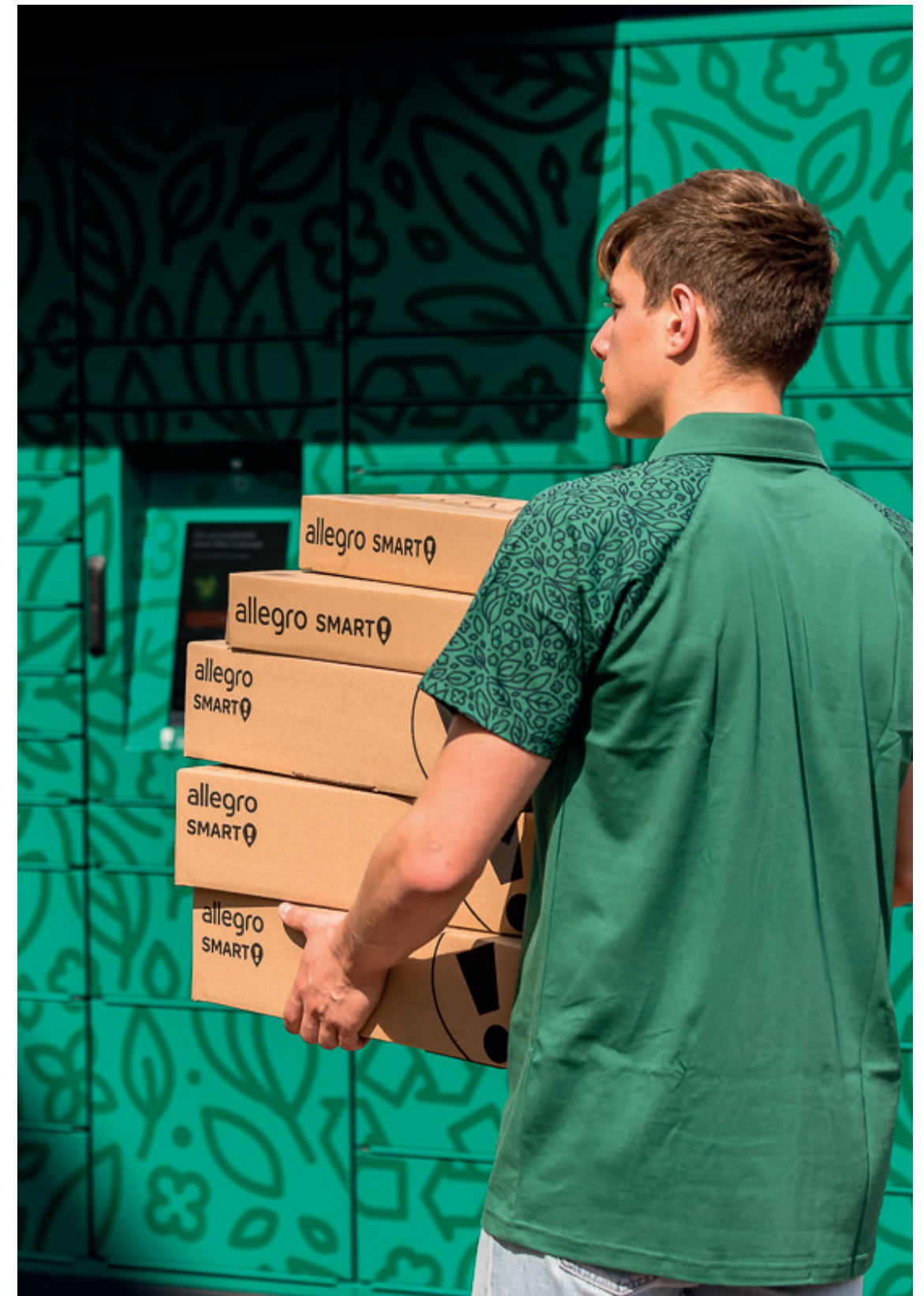
At the beginning of 2025, the Mall operations have continued to substantially reduce SKU ranges and run significant stock sell-outs in preparation for closure of legacy storefronts in Czechia and Slovakia, being the final step to acting solely as lean merchants on Allegro platforms from Q2 2025. As a result, GMV

of the legacy Mall operations continued to decline YoY in the 50-60% range, including low single digit foreign exchange headwind.

Current trading for the Allegro International Segment (which includes the results of Allegro.cz, Allegro.sk and Allegro.hu) demonstrates growth rate above 80% for January and February. Much of the incremental GMV is generated by Slovak and Hungarian operations, which did not yet contribute to the Segment a year which had not been launched at this stage of 2024. The growth rate will decline in March once Slovakian GMV begins to lap its prior year launch.

CONSOLIDATED GROUP

On a consolidated basis, the Group's GMV growth YoY in the quarter to date was in mid-to-high single digits.



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 the FY 2024, FY 2023, Q4 2024 and Q4 2023 is presented in the investing activities section of the Annual Consolidated Financial

Statements of cash flow as a separate line named: “Payments for property, plant & equipment and intangibles”. However, the quarterly numbers are not disclosed, as there is no such obligation to do so.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Capitalised development costs	(389.3)	(359.2)	(102.3)	(81.5)
Other capital expenditure	(229.4)	(111.3)	(82.0)	(39.2)
Total capital expenditure	(618.7)	(470.5)	(184.3)	(120.7)

CAPITALISED DEVELOPMENT COSTS

The amount of capitalised development costs is a sum of capitalised staff costs, capitalised IT service expenses and capitalised other expenses. Both amounts are separately presented under the Oper-

ating expenses section of the Annual Consolidated Financial Statements of comprehensive income. However, the quarterly numbers are not disclosed, as there is no such obligation to do so.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Staff costs				
– Capitalisation of development costs	(290.2)	(258.2)	(77.9)	(55.1)
IT service expenses				
– Capitalisation of development costs	(9.5)	(97.1)	(2.2)	(23.8)
Other expenses				
– Capitalisation of development costs	(110.0)	(18.3)	(28.7)	(7.0)
Capitalised cost of Allegro Incentive Program	20.3	14.4	6.5	4.3
Capitalised development costs	(389.3)	(359.2)	(102.3)	(81.5)

NET DEBT AND LEVERAGE

The amount of the “Net Debt” and “Leverage” is readily observable in the Annual Consolidated Financial Statements of financial position as a part of current assets as well as current and non-current liabilities.

PLN m (audited)	31.12.2024	31.12.2023
LTM Adjusted EBITDA Polish Operations	3,586.5	2,957.6
LTM Adjusted EBITDA International Operations	(590.0)	(414.6)
LTM Intersegment eliminations	(1.4)	(2.9)
Adjusted EBITDA LTM	2,995.0	2,540.1
(+) Borrowings at amortised cost	5,788.2	6,067.5
Non-current liabilities	5,788.2	6,064.8
Current liabilities	—	2.7
(+) Lease liabilities	573.7	617.6
Non-current liabilities	426.8	474.5
Current liabilities	146.9	143.1
(-) Cash	(4,058.9)	(2,049.1)
= Net Debt	2,303.0	4,635.9
Leverage (Net Debt / Adjusted EBITDA LTM)	0.77 x	1.83 x

CHANGES IN WORKING CAPITAL

The amount of each title impacting the working capital for FY 2024, FY 2023, Q4 2024 and Q4 2023 respectively, are presented in the separate lines of the Annual Consolidated Financial Statements of cash flow. However, the quarterly numbers are not disclosed, as there is no such obligation to do so.

**ADJUSTED EBITDA/REVENUE AND OTHER OPERATING INCOME (%)
FOR THE POLISH OPERATIONS**

Represents Adjusted EBITDA divided by Revenue and other operating income. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	3,586.5	2,957.6	975.2	905.7
Revenue and other operating income	9,492.5	7,951.5	2,781.1	2,397.6
Adjusted EBITDA/revenue and other operating income (%)	37.78%	37.19%	35.07%	37.78%

**ADJUSTED EBITDA/GMV (%)
FOR THE POLISH OPERATIONS**

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	3,586.5	2,957.6	975.2	905.7
GMV	60,706.9	54,770.5	17,377.1	15,676.0
Adjusted EBITDA/GMV (%)	5.91%	5.40%	5.61%	5.78%

**1P GROSS MARGIN
FOR THE POLISH OPERATIONS**

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Retail revenue	448.6	486.1	194.5	181.8
Cost of goods sold	(433.1)	(469.8)	(197.6)	(183.0)
1P Gross Margin	3.46%	3.35%	(1.63%)	(0.68%)

**ADJUSTED EBITDA/REVENUE (%)
FOR THE INTERNATIONAL OPERATIONS**

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(590.0)	(414.6)	(183.3)	(151.1)
Revenue	1,517.0	2,334.2	386.6	723.6
Adjusted EBITDA/revenue (%)	(38.89%)	(17.76%)	(47.41%)	(20.88%)

**ADJUSTED EBITDA/GMV (%)
FOR THE INTERNATIONAL OPERATIONS**

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(590.0)	(414.6)	(183.3)	(151.1)
GMV	3,294.7	3,605.7	1,028.3	1,264.1
Adjusted EBITDA/GMV (%)	(17.91%)	(11.50%)	(17.82%)	(11.95%)

**1P GROSS MARGIN
FOR THE INTERNATIONAL OPERATIONS**

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Retail revenue	1,243.9	2,116.1	285.9	635.7
Cost of goods sold	(1,102.5)	(1,855.8)	(247.0)	(553.5)
1P Gross Margin	11.37%	12.30%	13.62%	12.92%

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**ADJUSTED EBITDA/REVENUE (%)
FOR THE MALL SEGMENT**

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(217.0)	(204.6)	(41.4)	(40.7)
Revenue	1,462.3	2,325.3	354.9	726.4
Adjusted EBITDA/revenue (%)	(14.84%)	(8.80%)	(11.66%)	(5.61%)

**ADJUSTED EBITDA/GMV (%)
FOR THE MALL SEGMENT**

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(217.0)	(204.6)	(41.4)	(40.7)
GMV	1,759.3	3,031.1	412.6	911.8
Adjusted EBITDA/GMV (%)	(12.34%)	(6.75%)	(10.03%)	(4.47%)

**1P GROSS MARGIN
FOR THE MALL SEGMENT**

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Retail revenue	1,243.8	2,116.1	285.8	635.7
Cost of goods sold	(1,108.4)	(1,861.5)	(248.8)	(557.8)
1P Gross Margin	10.89%	12.03%	12.95%	12.25%

**ADJUSTED EBITDA/REVENUE (%)
FOR THE ALLEGRO INTERNATIONAL SEGMENT**

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(372.3)	(208.8)	(141.6)	(109.2)
Revenue	165.4	56.1	66.1	36.8
Adjusted EBITDA/revenue (%)	(225.06%)	(371.87%)	(214.20%)	(296.42%)

**ADJUSTED EBITDA/GMV (%)
FOR THE ALLEGRO INTERNATIONAL SEGMENT**

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Adjusted EBITDA	(372.3)	(208.8)	(141.6)	(109.2)
GMV	1,693.5	662.2	689.4	410.6
Adjusted EBITDA/GMV (%)	(21.98%)	(31.53%)	(20.54%)	(26.59%)

**1P GROSS MARGIN
FOR THE ALLEGRO INTERNATIONAL SEGMENT**

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for FY 2024, FY 2023, Q4 2024 and Q4 2023 below.

PLN m (unaudited)	FY 2024	FY 2023	Q4 2024	Q4 2023
Retail revenue	0.1	—	0.1	—
Cost of goods sold	(0.2)	—	(0.2)	—
1P Gross Margin	(18.59%)	N/A	(19.92%)	N/A

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Appendix 2.

Summary of consolidated statements of comprehensive income for the Group

THE GROUP'S SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE POLISH OPERATIONS AND THE INTERNATIONAL OPERATIONS FOR FY 2024, FY 2023, Q4 2024 AND Q4 2023, RESPECTIVELY.

Consolidated statement of comprehensive income (unaudited), PLN m	Polish Operations			International Operations			Eliminations			Total		
	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %
GMV	60,706.9	54,770.5	10.8%	3,294.7	3,605.7	(8.6%)	(32.7)	(2.8)	1,076.8%	63,969.0	58,373.4	9.6%
of which 1P	535.6	584.2	(8.3%)	1,470.3	2,501.3	(41.2%)	(22.8)	(2.8)	723.1%	1,983.0	3,082.7	(35.7%)
of which 3P	60,171.4	54,186.3	11.0%	1,824.4	1,104.4	65.2%	(9.8)	—	N/A	61,986.0	55,290.7	12.1%
Total revenue and other operating income	9,492.5	7,951.5	19.4%	1,517.0	2,334.2	(35.0%)	(69.5)	(35.2)	97.8%	10,940.0	10,250.6	6.7%
Revenue	9,373.9	7,886.2	18.9%	1,516.9	2,334.2	(35.0%)	(69.5)	(35.2)	97.8%	10,821.2	10,185.3	6.2%
Marketplace revenue	7,400.6	6,218.5	19.0%	138.1	109.0	26.7%	(1.1)	—	N/A	7,537.6	6,327.5	19.1%
Price comparison revenue	235.3	207.9	13.2%	—	—	N/A	—	—	N/A	235.3	207.9	13.2%
Advertising revenue	1,075.5	830.4	29.5%	13.4	4.6	190.3%	(0.6)	(1.6)	(62.7%)	1,088.3	833.4	30.6%
Retail revenue	448.6	486.1	(7.7%)	1,243.9	2,116.1	(41.2%)	(23.0)	(3.4)	576.0%	1,669.5	2,598.8	(35.8%)
Logistic Service Revenue	137.6	53.7	156.4%	96.2	86.9	10.7%	(0.2)	—	N/A	233.6	140.5	66.2%
Other revenue	76.3	89.6	(14.9%)	25.4	17.7	43.6%	(44.7)	(30.1)	48.4%	56.9	77.2	(26.2%)
Other operating income	118.6	65.2	81.8%	0.1	—	N/A	—	—	N/A	118.7	65.2	82.0%
Operating expenses	(6,040.4)	(5,092.2)	18.6%	(2,136.6)	(2,776.6)	(23.0%)	68.1	32.3	110.9%	(8,108.9)	(7,836.5)	3.5%
Payment charges	(145.2)	(139.9)	3.8%	(19.3)	(19.7)	(1.8%)	—	—	N/A	(164.5)	(159.6)	3.1%
Cost of goods sold	(433.1)	(469.8)	(7.8%)	(1,102.5)	(1,855.8)	(40.6%)	23.1	3.4	572.8%	(1,512.5)	(2,322.1)	(34.9%)
Cost of delivery	(2,695.2)	(2,230.6)	20.8%	(140.0)	(76.9)	81.9%	0.1	—	N/A	(2,835.0)	(2,307.6)	22.9%
Marketing service expenses	(1,165.4)	(879.6)	32.5%	(445.2)	(355.2)	25.3%	0.1	3.1	(95.7%)	(1,610.5)	(1,231.7)	30.8%
Staff costs	(991.4)	(824.5)	20.2%	(247.4)	(345.1)	(28.3%)	1.6	0.1	1,892.5%	(1,237.2)	(1,169.5)	5.8%
IT service expenses	(195.3)	(170.6)	14.5%	(49.2)	(37.5)	31.2%	19.4	6.2	212.6%	(225.1)	(201.9)	11.5%
Other expenses	(398.2)	(330.8)	20.4%	(135.1)	(85.0)	58.9%	23.8	19.5	22.0%	(509.5)	(396.3)	28.6%
Net impairment losses on financial and contract assets	(16.6)	(46.4)	(64.2%)	2.0	(1.4)	N/A	—	—	N/A	(14.6)	(47.7)	(69.5%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	3,452.1	2,859.3	20.7%	(619.6)	(442.3)	(40.1%)	(1.4)	(2.9)	(50.3%)	2,831.0	2,414.1	17.3%

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Consolidated statement of comprehensive income (unaudited), PLN m	Polish Operations			International Operations			Eliminations			Total		
	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %	Q4 2024	Q4 2023	Change %
GMV	17,377.1	15,676.0	10.9%	1,028.3	1,264.1	(18.6%)	(9.1)	—	N/A	18,396.3	16,940.1	8.6%
of which 1P	233.4	221.6	5.3%	338.9	759.3	(55.4%)	0.7	—	N/A	572.9	980.9	(41.6%)
of which 3P	17,143.7	15,454.4	10.9%	689.5	504.8	36.6%	(9.8)	—	N/A	17,823.4	15,959.2	11.7%
Total revenue and other operating income	2,781.1	2,397.6	16.0%	386.6	723.6	(46.6%)	(20.5)	(21.2)	(3.2%)	3,147.2	3,100.0	1.5%
Revenue	2,738.6	2,332.3	17.4%	386.5	723.6	(46.6%)	(20.5)	(21.2)	(3.2%)	3,104.6	3,034.7	2.3%
Marketplace revenue	2,059.2	1,804.7	14.1%	50.4	42.8	17.6%	(1.1)	—	N/A	2,108.5	1,847.5	14.1%
Price comparison revenue	79.8	60.8	31.3%	—	—	N/A	—	—	N/A	79.8	60.8	31.3%
Advertising revenue	341.3	260.1	31.3%	6.0	0.3	2,048.6%	(0.6)	0.4	(240.5%)	346.8	260.8	33.0%
Retail revenue	194.5	181.8	7.0%	285.9	635.7	(55.0%)	—	(0.3)	100.0%	480.4	817.1	(41.2%)
Logistic Service Revenue	49.1	20.3	142.5%	28.4	35.1	(19.1%)	(0.2)	1.1	(117.0%)	77.4	56.4	37.1%
Other revenue	14.7	4.7	209.2%	15.7	9.7	62.4%	(18.7)	(22.4)	(16.4%)	11.7	(7.9)	N/A
Other operating income	42.4	65.2	(35.0%)	0.1	—	N/A	—	—	N/A	42.5	65.2	(34.8%)
Operating expenses	(1,837.4)	(1,515.0)	21.3%	(571.1)	(882.6)	(35.3%)	19.5	18.3	6.3%	(2,389.1)	(2,379.3)	0.4%
Payment charges	(39.3)	(38.2)	2.8%	(6.6)	(6.8)	(2.2%)	—	(0.1)	100%	(45.9)	(45.1)	1.9%
Cost of goods sold	(197.6)	(183.0)	8.0%	(247.0)	(553.5)	(55.4%)	0.5	—	N/A	(444.1)	(736.6)	(39.7%)
Cost of delivery	(786.4)	(673.1)	16.8%	(48.3)	(32.6)	47.9%	0.1	—	N/A	(834.6)	(705.7)	18.3%
Marketing service expenses	(395.6)	(279.2)	41.7%	(166.6)	(158.0)	5.4%	0.1	0.7	(80.8%)	(562.0)	(436.6)	28.7%
Staff costs	(251.6)	(208.0)	21.0%	(50.8)	(81.1)	(37.4%)	0.7	0.1	917.5%	(301.7)	(289.0)	4.4%
IT service expenses	(56.9)	(46.9)	21.3%	(11.5)	(10.5)	9.7%	8.8	2.4	262.2%	(59.6)	(54.9)	8.5%
Other expenses	(108.9)	(80.6)	35.0%	(45.1)	(40.4)	11.6%	9.1	15.2	(40.0%)	(144.8)	(105.8)	36.9%
Net impairment losses on financial and contract assets	(1.2)	(6.0)	(80.6%)	4.8	0.4	1,084.8%	—	—	N/A	3.6	(5.6)	N/A
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	943.6	882.5	6.9%	(184.5)	(159.0)	(16.0%)	(1.0)	(2.8)	(63.3%)	758.1	720.7	5.2%



allegro

III. Corporate governance

1.

Business Model

SCOPE OF BUSINESS ACTIVITY

Allegro is the go-to online marketplace for consumers in Poland, Czech Republic, Slovakia, and Hungary, with Allegro.eu acting as the holding company (together with all of its subsidiaries, known as the “Allegro Group”). In its core market, Poland, the Allegro Group manages an online marketplace (Allegro.pl), price comparison platform (Ceneo.pl), event ticket sales site (eBilet) and fintech operations (through subsidiaries Allegro Pay and Allegro Finance).

In addition to its Polish operations, the Group also includes marketplaces in the Czech Republic, Slovakia, and Hungary. Allegro Group also comprises the Mall Group, a leading e-commerce platform across Central and Eastern Europe represented by Mall brand in Czech Republic, Slovakia, Hungary and Croatia and Mimovrste brand in Slovenia. Mall Group also includes subsidiary WE|DO, specializing in last-mile delivery services.

MARKETPLACE OPERATIONS

The Allegro Group provides an online marketplace that enables sellers (further called “Merchants”) to list and sell products reaching their target customers. Merchants on the Group’s e-commerce marketplace sell across a variety of categories including automotive, home and garden, books, media, collectibles and art, fashion and shoes, electronics, kids, health and beauty, sports and leisure, and supermarket. Merchants primarily sell new products to buyers on the Group’s e-commerce marketplace in the business-to-consumer model (“B2C”), while

consumer-to-consumer transactions (“C2C”, made through Allegro Lokalnie storefront) and classifieds is a relatively small, but important element of operations as it helps to drive user engagement. The Group’s e-commerce marketplace generates revenue primarily through facilitating 3P transactions between buyers and merchants and charging merchants commissions and other related fees. The Group provides a range of supporting services to merchants to grow their sales using the platform, such as tools to monitor sales performance and manage offer competitiveness, streamline payment processes, standardised delivery solutions in cooperation with national delivery service partners, and free-delivery programs, sales incentives for quality performance, marketing campaign support, and merchant finance solutions. For that wide range of products and services Allegro is charging a take rate, which is considered low when compared to pricing of other international marketplaces. In Poland, the Group also has its own limited-scale, 1P (own shop) retail operations that generate revenue by selling products directly to buyers on the e-commerce marketplace. The Group’s 1P retail business is intended to be a supplement to the 3P business, representing around 1% of the Group’s gross merchandise value (“GMV”) for the year ended 31 December 2024, used mainly to remedy important missing selection and uncompetitive price points among the offers available from the independent merchants.

Allegro also manages international marketplaces in the Czech Republic as Allegro.cz. (launched in May 2023), Slovakia as Allegro.sk (launched in February 2024) and Hungary as Allegro.hu (launched in October 2024). Allegro International marketplaces make offers of Polish and International merchants

available to International consumers, along with offers from local merchants, including Group’s brands Mall and CZC. International Marketplaces operate on the same model as the core marketplace in Poland, gradually rolling out new features available on the Polish marketplace to local customers.

ADVERTISING

In addition to marketplace operations, the Group earns advertising revenue by providing various types of advertising opportunities to brands and merchants on the platform. The Group’s advertising services are supported by software deeply integrated with its marketplace functionality. Some of the Group’s key Allegro Ads products include Sponsored Offers (increasing Merchant’s visibility at the top of the listing, charged through pay-per-click utilizing real-time bidding); Promoted Offers (increasing Merchant’s visibility higher in the listing with algorithm ranking offers by quality and no bidding for top position); internal digital display (to drive GMV on the platform); data-driven campaigns or “DMP” (development of data-driven tool enabling highly targeted CPM campaigns); external network ads (further scalability of the Group’s integration with Google to drive traffic to the Group’s e-commerce marketplace) and other content-based solutions (to create branded content as a self-service). Advertising services mostly resell content that is created through the process of providing visiting consumers with shoppable offer listings that meet their search criteria. With the development and growth of Allegro on International markets, Group expects advertising revenues to progressively increase.

ALLEGRO PAY

The Group operates its own proprietary FinTech consumer finance subsidiary, Allegro Pay, which cooperates closely with the marketplace to advance consumer loans to active buyers, facilitating their purchases on the Allegro marketplace and further supporting user engagement. Allegro Pay’s offer allows for deferred payments (known as “Buy Now Pay Later”, or “BNPL” loans) or splitting loans into convenient 2, 3, 5, 10, 20 or 30-month instalments, giving greater financial flexibility to Active Buyers

and ensuring safer and easier buying online. Allegro Pay provides a simple user experience for buyers (less than one minute to sign-up, one click to pay and less than 15 seconds to buy) driving conversion, data-driven credit decisions, and has been built on top of the existing Allegro platform. Over the years, the Group has built a successful financial services business using a third-party model utilizing partnerships and other forms of collaboration with leading financial players such as Santander and Aion Bank, to which Allegro is selling “Buy Now Pay Later” 30-day customer loans, as well as instalment loans of various duration. Through the sale of customer loans to Group’s banking partners, the value of outstanding customer loans that the Group needs to finance from its own capital resources is at a stable level when at the same time value of financed purchases is growing rapidly. Instalment and BNPL loans sold under the agreement are de-recognised from the Group’s balance sheet. This dedicated external funding for continued fast loan origination and multi-year scaling of Allegro Pay significantly reduces the consumption of net working capital needed to grow the consumer loans business going forward. Utilising the off-balance sheet financing significantly increases Allegro’s ROIC (Return on Invested Capital) from Allegro Pay and is expected to enable faster growth of the Group’s fintech offer.

Alongside its BNPL offering, the Group has expanded its financial product portfolio by launching a pilot program for its own credit card linked to Allegro accounts. The Group has an extensive future product roadmap with a focus on additional products in the near term, such as further expansion in merchant financing and B2B payments.

Allegro Pay decided to terminate the Cooperation Agreements with Aion Bank regarding the services in the Bank-as-a-Service (“BaaS”) model, which enabled Allegro Pay to launch Allegro Cash, product reserved for entities holding a banking licence (i.e. payment accounts with cashback program). The main scope of the Cooperation Agreement was to establish the rules of cooperation regarding certain banking products based on the Banking-as-a-Service model, used as the basis for Allegro Cash. However, following the results of Allegro Cash service, Allegro Pay and Allegro decided to review strategic options for the future of Allegro Cash service and terminate

the existing Cooperation Agreement. The service will be supported during the termination period. Allegro and Allegro Pay will decide by the termination date if the Allegro Cash service will be continued in a revised form.

SMART!

Allegro's Smart! loyalty program provides customers with exceptional value for their money, making it a top-tier subscription service among Polish consumers. It is a subscription service that provides free delivery and free returns as its core features. Enhancements to the program include commercial add-ons such as daily SMART! deals, dedicated SMART! Week shopping events, exclusive pre-sales of top entertainment events in partnership with eBilet, and access to exclusive product premieres, among other benefits.

In addition, because SMART! is a subscription program, it naturally addresses the more highly engaged proportion of the Group's buyer base, impacting further the way they choose to engage in online shopping and solidifying the Group's position as the place where these buyers start their shopping journey.

ALLEGRO ONE & ALLEGRO DELIVERY

The Group manages its own logistics brand, "One by Allegro", which includes "One Box" green parcel lockers, "One Punkt" pick-up points and "One Kurier" courier services along with "One Fulfilment" service that streamlines processes of storing, packing and shipping products for merchants. In 2024, the Group launched Allegro Delivery, a service integrating Allegro's own delivery service with other logistic partners (including Orlen Paczka since June 2024 and DHL to join in early 2025) under Allegro Delivery umbrella, providing customers with a wide choice of out-of-home delivery options, including APM networks of Allegro One Box, Orlen Paczka and since 2025 DHL, with Allegro taking end-to-end responsibility and promising top-quality delivery across all options.

The Group operates One Kurier, Allegro's own delivery company, complementing fulfilment and lockers services in driving faster deliveries, by e.g. next-day deliveries to One Box (Group's APM network) and One Punkt (Group's partnership PUDO network) and expanding its operations to more than 25 of the largest Polish cities. One Kurier provides the Group with its own next-day delivery capability and collection and distribution capabilities. One Punkt and One Box by Allegro, combined with all PUDO partners and lockers networks that Allegro cooperates with across Poland, provide more than 60 thousand very convenient delivery pick-up options – the widest network in Poland. During 2024 the Group also launched Brandless (white label) courier, which is required for all Smart! offers as one of the delivery methods offered to customers. Brandless courier allows the buyer to select home delivery at check-out and Allegro selects which carrier (Allegro One Kurier, DPD, DHL, UPS or Pocztex/Polish Post) will handle the delivery end-to-end, marking another significant step towards increasing the share of volumes managed by Allegro.

One Fulfilment by Allegro is a comprehensive service for merchants that includes storing, packaging and delivering products, as well as customer service throughout the delivery process. One Fulfilment is widely available to merchants, including international sellers for whom the offer can significantly reduce delivery times and offer competitive delivery experience. Fulfilment services complement Allegro's distribution method primarily based on merchants fulfilling their own orders, which continues to be the priority for Allegro.

The Group's delivery experience is based on the software called "HUB," which is a unique, machine-learning powered, proprietary platform that integrates Allegro, a range of logistics providers and merchants on the Group's e-commerce marketplace as of 31 December 2024. "HUB" allows a simple and intuitive delivery promise and full package tracking to be provided to buyers, while for the Group, its merchants and carriers, "HUB" provides a tool to manage end-to-end delivery performance, status communication and settlements. Merchants are able to take advantage of the smart logistic network that is simple to use and provides a range of delivery

options, while benefiting from more competitive delivery costs through the Group's framework agreements with key logistics partners, including, among others, InPost, DPD, UPS, and the Polish state postal service (Poczta Polska). The significant majority of delivery volumes are processed through the Group's contracts and tools.

The Group also offers 'Allegro International' delivery method from Poland to the Czech Republic. 'Allegro International' cross-border delivery method was successfully adopted by merchants and customers, adding on average only one working day vs. average Allegro delivery times in Poland.

CENEO

Ceneo.pl is a multi-category price comparison site in Poland. It provides consumers with price comparison listings for products that they are interested in purchasing. Merchants pay for click-through leads from the Ceneo listing to the merchants own e-stores, either based on standard price lists or by bidding for position in promoted spots on the listings. In addition, Ceneo provides check-out services to some of its merchant partners, charging commissions for processing a retail transaction with an end consumer on their behalf. The Group benefits from Ceneo as a result not only of the increased traffic that is directed to the Group's e-commerce marketplace, but also from monetisation of a different part of the customer journey and an expanded advertising reach.

EBILET

The Group also operates eBilet, which is an event ticket sales site in Poland, facilitating sales of a broad range of entertainment, cultural, family, and sports events. eBilet leverages Allegro's robust e-commerce infrastructure to expand its market reach and enhance customer experience. By integrating advanced technologies and data-driven strategies, eBilet ensures seamless ticket purchasing processes, personalized recommendations for its customers, and optimized promotional campaigns.

OPENNET & SCB WARSZAWA

The Group also operates Opennet.pl – a technology solutions provider for logistics, including APMs and SCB Warszawa – a customs broker agency.

ALLEGRO RETAIL (MALL GROUP)

Allegro Group also includes Allegro Retail (also referred to as Mall Group), a leading 1P e-commerce platform across Central and Eastern Europe. Allegro Retail operates as an online retailer, using three different brands across multiple shopping verticals in the Czech Republic, Slovakia, Slovenia, Hungary and Croatia. Allegro Retail also provides last mile distribution services in the Czech Republic and Slovakia under Allegro One brand (previously operating as WE|DO, merged into Allegro Retail structures by the beginning of 2025).

Key brands of the Allegro Retail include MALL, a leading horizontal e-commerce site in the Czech Republic and Slovakia, with further early stage operations in Hungary and Croatia, currently operating predominantly in a 1P model; CZC.CZ – a specialist consumer online electronics retailer in the Czech Republic, functioning as a merchant on Allegro.cz platform; and Mimovrste – one of Slovenia's most popular e-commerce portals, operating mainly as a retailer. In addition to its 1P retail sales, Mall companies operate a 3P marketplace in a small capacity, with 3P capabilities gradually being superceded by the Allegro International 3P marketplaces.

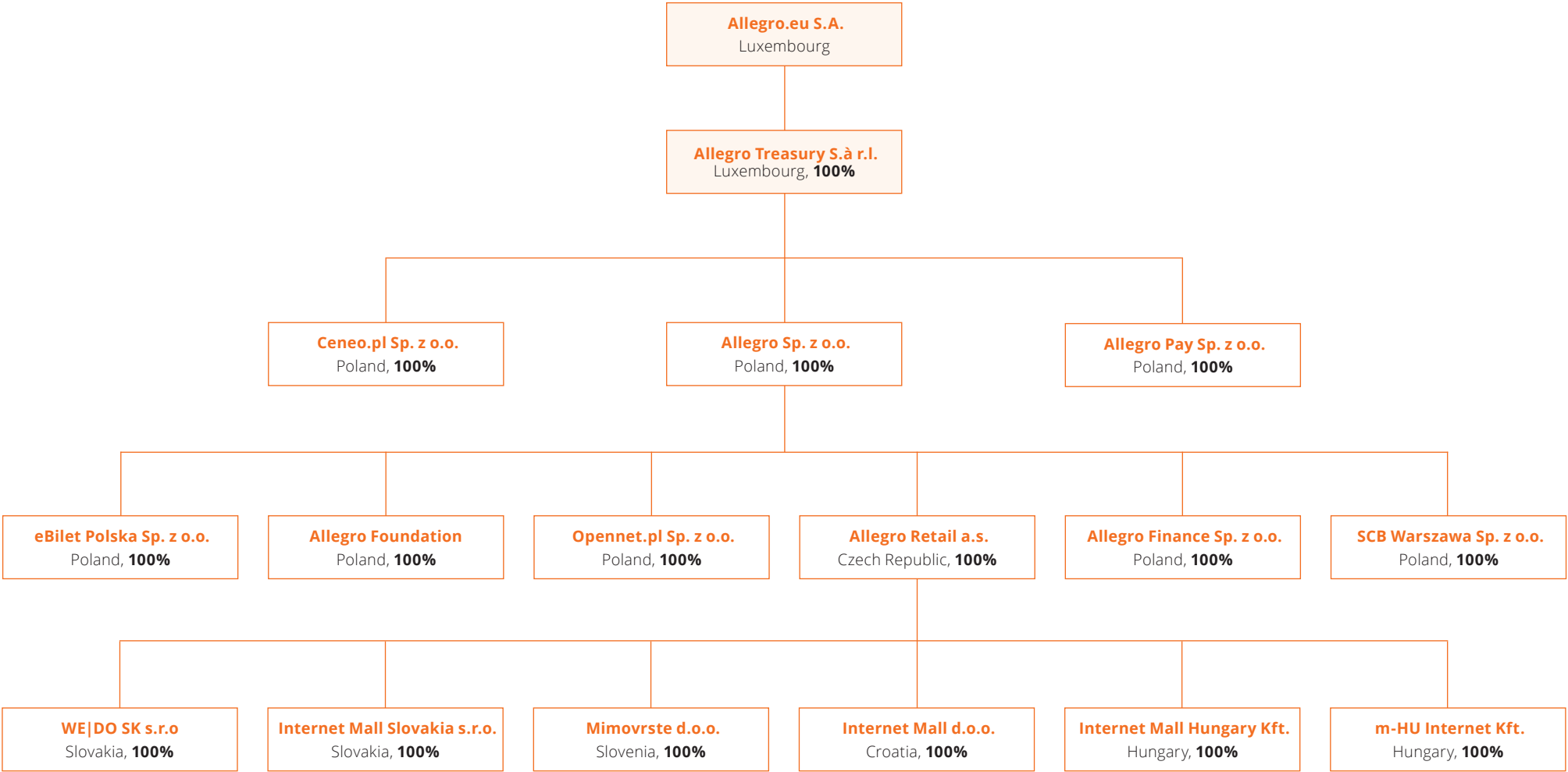
2.

Group structure and geographical footprint

As of 31 December 2024, the Group included Allegro.eu S.A., as well as intermediate holding company Allegro Treasury s.à r.l. (previously Adinan Midco) with their registered office in Luxembourg, and a number of operating companies registered and conducting their operating activities in the territory of Poland, Czech Republic, Slovakia, Hungary, Croatia and Slovenia. Allegro’s most significant operating entities in Poland are: 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’). In the Czech Republic Allegro operates through Allegro Retail a.s., in Slovakia through Internet Mall Slovakia s.r.o. and WE|DO SK s.r.o., in Hungary through Internet Mall Hungary Kft and m-HU Internet Kft, in Croatia operates through Internet Mall d.o.o. CRO and in Slovenia through Mimovrste, spletna trgovina d.o.o (‘Mimovrste’) that are included in the “Mall segment”. Results of international marketplaces: allegro.cz, allegro.sk and allegro.hu operations, reported within the “Allegro International Segment” are run by the Allegro sp. z o.o. legal entity.

In Poland, 4,659 people were employed, in the Czech Republic 967 people and in Slovenia 289 people were employed. In other countries where Allegro Group operates, 65 people were employed.

The detailed structure is presented in the graph.



Key information regarding the members of the Group, their country of domicile, economic interest held by the Group as at 31 December 2024 and the periods subject to consolidation are presented in the following table.

Entity name	Registered office	Interest held	Period covered by consolidation
Allegro.eu S.A.	Luxembourg	—	01.01.2024 – 31.12.2024
Allegro Treasury S.à r.l.	Luxembourg	100.00%	01.01.2024 – 31.12.2024
Allegro Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024
Opennet.pl Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024
eBilet Polska Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024
Allegro Finance Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024
SCB Warszawa Sp. z o.o. (previously SkyNet Customs Brokers Sp. z o.o.)	Poland	100.00%	01.01.2024 – 31.12.2024
Allegro Foundation	Poland	100.00%	01.01.2024 – 31.12.2024
Allegro Retail a.s.	Czech Republic	100.00%	01.01.2024 – 31.12.2024
Internet Mall Hungary Kft.	Hungary	100.00%	01.01.2024 – 31.12.2024
Mimovrste, spletna trgovina d.o.o.	Slovenia	100.00%	01.01.2024 – 31.12.2024
Internet Mall Slovakia s.r.o.	Slovakia	100.00%	01.01.2024 – 31.12.2024
Internet Mall d.o.o.	Croatia	100.00%	01.01.2024 – 31.12.2024
m-HU Internet Kft.	Hungary	100.00%	01.01.2024 – 31.12.2024
WE DO SK s.r.o	Slovakia	100.00%	01.01.2024 – 31.12.2024
Allegro Pay Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024
Ceneo.pl Sp. z o.o.	Poland	100.00%	01.01.2024 – 31.12.2024

On 1 January 2024, the Group completed the merger of Internet Mall a.s. with CZC.cz s.r.o., WE|DO CZ s.r.o. and AMG Media a.s. After merger, the remaining entity in existence is Internet Mall a.s., which has changed its name to Allegro Retail a.s.

On 1 October 2024, the Group completed the merger of Allegro Retail a.s. with Mall Group a.s. After merger, the remaining entity in existence is Mall Group a.s. and changed its name to Allegro Retail a.s.

On 1st January 2025, the merger by absorption took place of WE|DO SK s.r.o., as a dissolving company, with the company Internet Mall Slovakia s.r.o., as a successor company. Internet Mall Slovakia s.r.o. also changed its company name to Allegro Slovakia s.r.o.

MISSION AND VISION



OUR MISSION

We simplify shopping and selling

OUR VISION

To be the most loved online shopping destination in Europe!

- **Safe shopping** with the widest selection of trusted products at competitive prices
- **Best-in-class Smart!** program that rewards Customer engagement & loyalty
- **Preferred partner** for Merchants and Brands to grow their businesses
- **Easy to use fintech** products that fit our Customers' daily lives
- Orders delivered by **fast, reliable and low-cost** pan-European logistics
- **Tech that innovates and scales** to regularly delight Customers
- The place for **diverse talents to grow** and make a difference

Our mission is to empower both customers and merchants by facilitating a seamless shopping and selling experience within a marketplace. We aim to provide a straightforward and trustworthy shopping journey, encompassing every aspect from registration and

transactions to delivery and post-sale support. By focusing on exceptional customer experience, we aspire to create a thriving environment for merchants who can leverage our extensive customer base.

By fulfilling this mission, we aim to become the most beloved shopping destination in Europe, first expanding our operations in the CEE region, and subsequently, across all of Europe. To ensure that the vision becomes true, we identified 7 key pillars to assure continuous improvement of our marketplace:

Safe shopping with the widest selection of trusted products at competitive prices

Allegro customers can enjoy a vast selection of trusted products offered at competitive prices. Our commitment to quality and value is at the core of every transaction, ensuring a safe shopping environment that our customers depend on. As we continue developing programs such as Allegro Protect, our buyer protection program, and the Best-Price Guarantee, we strive to ensure that our customers can shop with confidence and rely on our promise of the best value on the market.

Best-in-class Smart! program that rewards customer engagement & loyalty

Engagement and loyalty go hand in hand at Allegro. Our Group's best-in-class Smart! loyalty program offers great value for money with free delivery and free returns among many other benefits. We are committed to further enhancing the Smart! value proposition to make it even more rewarding for our loyal customers and letting them enjoy exclusive deals, special promotion campaigns available only to our Smart! users, and Smart! Coins granting access to even greater value.

Preferred partner for Merchants and Brands to grow their businesses

For sellers and brands looking to grow, Allegro is the perfect partner. We strive to provide a reliable and supportive platform for businesses to start and expand their operations. Our focus is to continuously enhance our marketplace capabilities and value proposition, while maintaining affordable rates for merchants. Additionally, commitment to programs like Allegro Academy and Allegro Analytics will continue to empower our merchants to innovate and succeed not only in their local markets but throughout Europe.

Easy to use fintech products that fit our Customers' daily lives

Understanding the importance of secure and simple financial transactions, Allegro offers easy-to-use fintech products. Building on the success of Allegro Pay, which provides seamless buy-now-pay-later options, we are committed to develop and introduce new products to improve our financial offering such as Allegro Card seamlessly integrating Allegro accounts into daily expenses. These next steps are designed to make a positive and effortless impact on our customers' everyday lives while maintaining the highest standards of security.

Orders delivered by fast, reliable and low-cost pan-European logistics

Efficiency doesn't stop at checkout. Allegro ensures that every order is delivered quickly and sustainably through our fast, reliable, and cost-effective pan-European logistics network. By continuing to invest in our own logistics service (One Kurier) and our partnership network (Allegro Delivery), we aim to delight our customers with top-quality delivery services. Our goal is to expand our reach so that all Allegro customers can enjoy the utmost convenience when using our marketplace. Developing our hybrid delivery model enables efficient and cost-effective international deliveries by connecting Polish merchants with local couriers for initial transport to our sorting facility, followed by cross-border transit and handover to local couriers for last-mile delivery in the Czech Republic. This approach significantly reduces expenditure on each international package compared to utilizing end-to-end services.

Tech that innovates and scales to regularly delight Customers

At Allegro Group, we focus on creating technology that regularly delights customers. The Groups invest in technology that innovates and scales, creating solutions that evolve with customers' needs and regularly bring convenience to daily lives. We are devoted to improving the quality of content, customer care and functionality of the marketplace by applying advanced technology solutions such as machine learning, artificial intelligence and robotics.

The place for diverse talents to grow and make a difference

Allegro Group is not just a marketplace; it is a place of growth and opportunity. Our Group aims to be a place where diverse talent can flourish, contribute, and make a meaningful impact as we double down on enhancing our Internal Mobility and Learning & Development initiatives to support the professional development and growth of our employees.

Allegro Group integrates ESG principles to reduce environmental impact while promoting accountability and transparency. This approach aims to achieve both short-term commercial success and long-term value, showing that global stewardship and responsibility can coexist.

KEY ELEMENTS AND REALIZATION OF THE GROUP'S MULTI-YEAR STRATEGY

The Group's multi-year strategy focuses on cascading crucial elements of our mission and vision into actions designed to drive future growth and sustainability. Business objectives are based on 4

pillars – core marketplace acceleration, new growth engines development, international expansion and solidifying company fundamentals. Under those 4 pillars, we developed 9 crucial initiatives.

Medium-term business objectives

 Grow Core Marketplace	 Build New Engines	 Expand Internationally	 Ensure Solid Fundamentals
1. Easy and safe to shop, simple to sell	3. Strong advertising	6. Systematic introduction of our asset-light marketplace	8. Groupwide system architecture & software development processes
2. Increasingly loyal customers	4. Seamless fintech solutions	7. Complete Mall Segment turnaround	9. People & Culture, ESG
	5. Low cost and reliable delivery		

GROW CORE MARKETPLACE

1. EASY AND SAFE TO SHOP, SIMPLE TO SELL

Allegro Group provides and cultivates a comprehensive marketplace that benefits both buyers and merchants, a concept the Group refers to as the “flywheel”. As more merchants join the platform, the variety of products expands and price competitiveness improves. This attracts more buyers to browse and purchase on Allegro’s e-commerce marketplace. In turn, the growing number of buyers entices more merchants to join, strengthening the marketplace. Our goal is to elevate our offerings by delivering an intuitive, secure, and straightforward experience for both customers and merchants. In particular Group is focusing on number of customer & merchant initiatives including:

Customer:

- Improving the quality of content, customer care and functionality of the marketplace by applying advanced technology solutions such as machine learning, artificial intelligence and process automation
- Advancing the Group’s search, discovery and sales conversion by leveraging productised search driven by Group’s expanding product catalogue
- Improving engagement with the Group’s app, mobile and desktop users

Merchant:

- Further automation and optimization of key merchant processes, including the development and enhancement of merchant tools and value-added services
- Onboarding more Polish and international merchants onto the platform, expanding the product catalog
- Offering products that simplify back-end operations for merchants and enhance search and shopping experiences for buyers

In 2024, the Group remained a leading online opportunity to target 15 million Active Buyers in Poland with over 100m products listed on the platform by the end of 2024. Merchants across all Allegro marketplaces migrated to the Sales Center, Allegro’s one stop shop for merchants to manage their business. The number of merchants reached over 160k by the end of 2024, with a growing number of international sellers. In 2024, we fully migrated to the product-based view to improve findability and simplify the shopping experience, along with introducing a list of approximately 1,000 protected brands to extend our commitment to customer safety and trust. The points above contributed to Allegro remaining the most popular shopping app in Poland, increasing our app share in the visit mix and driving traffic that outperformed the e-commerce segment, the majority of which was free.

2. INCREASINGLY LOYAL CUSTOMERS

We have over 6m of SMART! customers in Poland – making it the biggest paid loyalty program in Poland. But we have many more Allegro customers who are not SMART! yet – giving us a huge headroom for further growth. The Group is committed to expanding the SMART! user family by continuously improving our SMART! value proposition.

In 2024, we reinforced our commitment to SMART! exclusive deals by increasing their frequency. We introduced SMART! B-day lotteries and added additional SMART! benefits during Allegro Weeks to further reward our loyalty users for their participation in the program. To further increase onboarding to our program, we introduced Smart! 8x8 program (8 free deliveries for 8 months), which alongside Smart! exclusive benefits have significantly strengthened our value proposition and contributed to reaching a milestone of over 90% of SMART! users onboarded on paid subscriptions.

BUILD NEW ENGINES

3. STRONG ADVERTISING

The Group believes that it is well positioned to capture a large share in retail media advertising via scalable, automated and AI-driven advertising solutions leveraging the Group’s traffic, data and product catalogue. The main goal of advertising services is to strengthen the Group’s search, discovery, and sales conversion by developing both merchant and brand advertising into a streamlined, efficient engine for success by offering tools that offer control over budget and efficiency.

With the expansion of our platform and increasing product offering, we recognized opportunities to improve user navigation within our marketplace. Therefore, in 2024, we introduced a productized view to enhance the customer experience and further introduce our advertising strategies to foster continued growth of the advertising segment of our operations. Advertising revenue saw a remarkable growth in 2024, driven by enhanced machine-learning algorithm that boosted ad relevance for buyers on our productized marketplace. Additionally, we continued to acquire new advertisers, complementing this effort with educational initiatives, including the publication of our 2024 Annual Customer Journey Report.

4. SEAMLESS FINTECH SOLUTIONS

As financial product integration and seamless, one-click payments become increasingly important, consumers are recognizing the value of the expanding range of financing possibilities. Easy-to-use and transparent credit products drive GMV growth on our marketplace and strengthen user loyalty. Looking ahead, the Group aims to scale up and further enhance Allegro Pay. In addition to consumer financial services, the Group has an extensive future product roadmap focused on delivering additional products in the near term, such as further expanding merchant financing and B2B payments.

In 2024, Allegro Pay continued its dynamic growth, with GMV financed increasing from PLN 6.7 billion (12% of GMV) in 2023 to PLN 9.6 (16% of GMV) billion in 2024, while achieving a milestone of over 2m users by the end of the year. The Group is also testing new products such as Allegro Card, payment card allowing the use of Allegro Pay services beyond the marketplace, ahead of full launch decisions.

5. LOW COST AND RELIABLE DELIVERY

Affordable and dependable delivery has always been a primary concern for customers and a significant challenge for merchants. The delivery experience has been a key area of innovation for the Group, successfully transitioning to a managed combination of 1P and integrated 3P delivery network that aligns with the Group's business model.

Allegro Group's main goal is to continue to make strides in delivery speed and to expand the One Box lockers network, as well as the availability of the One Box delivery option across offers on the platform. To fulfill these delivery promises, in 2024, the Group launched Allegro Delivery, a partnership logistics solution covering a total of around 20,000+ pick-up points (APMs & PUDOs). This initiative integrates Allegro's delivery service with other logistic

partners under one banner, providing customers with variable options for out-of-home delivery, while promising top-quality delivery across all options.

The Group has made significant progress in scaling delivery operations, with Allegro One volumes increasing over 2.2x YoY, which combined with the launch of Allegro Delivery and Brandless Courier resulted in an excellent progress in the share of managed volumes, up to 23.8% for Q4 '24. In 2024, the Group continued to invest in the network, opening five new One Kurier depots in Poland, along with over 1000 One Box APMs in Poland and more than 500 in the Czech Republic. This continuous focus on scaling enabled Allegro One to reach cost parity with alternatives in high-density focus areas in 2024.

EXPAND INTERNATIONALLY

6. SYSTEMATIC INTRODUCTION OF OUR ASSET-LIGHT MARKETPLACE

We are proud of the value proposition we offer to both customers and merchants, and we aim to simplify shopping for more users all across Europe. Our plan is to systematically scale already entered markets in Czechia, Slovakia, and newly entered Hungary (launched October 2024) and introduce more countries to our marketplace model, creating a unified shopping experience for people across the continent. From a merchant perspective, we plan to provide a unique opportunity – list once and sell everywhere.

In 2024, our International Marketplaces have significantly ramped up with more than 2m added Active Buyers in the Allegro International Segment, reaching a total of around 3m. Among these, we

have achieved more than 900k Smart! users across international marketplaces, demonstrating the effectiveness of our efforts in building customer loyalty in newly entered markets. By the end of 2024, with over 60k merchants (local and international) selling on Allegro.cz and Allegro.sk, we recognize the significance of local selection for customers across Europe, and are committed to doubling down on onboarding local merchants. To further drive local selection, in 2024 we introduced a localized listing solution for merchants.

For upcoming quarters, our priority focus is to boost shopping frequency, trust and basket size metrics, continuing to create a loyal customer base outside of our core market in Poland.

7. COMPLETE MALL SEGMENT TURNAROUND

The Group has dedicated substantial attention to the turnaround of Mall Group's 1P business, aiming to minimize the operation's negative EBITDA impact on the Group's consolidated results. The segment is scheduled to be fully integrated into a merchant role within our marketplaces by the end of 2025, as part of our ongoing efforts to improve the quality of top sellers and enhance price competitiveness across platforms. Focus also remains on improving inventory turnover and reducing aged stock to enhance cash flow.

In 2024, we made significant progress in stock reduction, with inventory down by almost 50% end of 2024 vs end of 2023, driven by the sell-out of pruned SKUs. To further enhance profitability, the CZC legacy front-end was retired at the end of 3Q 2024, and unprofitable physical shops were closed. Two waves of staff reductions were completed in 2024, paving the way for a leaner organization. Many staff members were repurposed to marketplace roles, contributing to the scaling of our International Marketplace operations.

ENSURE SOLID FUNDAMENTALS

8. GROUPWIDE SYSTEM ARCHITECTURE & SOFTWARE DEVELOPMENT PROCESSES

As we expand both domestically and internationally, we aim to ensure that our systems are scaling efficiently and thoughtfully, and that all our employees are well-equipped for any arising opportunities. In 2024, Allegro launched a unified budgeting platform, significantly improving and streamlining the annual planning process. Simultaneously, Allegro

Retail transitioned to integrated Group finance modules. We are continuing to migrate the systems of acquired companies from the Mall Group and streamline back-office operations, as in 2024 multiple back-office systems across Group entities were successfully unified and CZC.cz successfully migrated to the Allegro marketplace using our standardized technological stack.

9. PEOPLE & CULTURE, ESG

The strategic goal for the People & Culture pillar is to create the best environment for personal and professional development by fostering a friendly and inclusive workplace. Allegro is committed to supporting sustainable growth (ESG) in value creation. The aim is to build a unified organization across six countries, optimizing talent deployment within the post-merger structure and leveraging synergies. The management seeks to reduce external recruitment and ensure efficient utilization of the internal talent pool.

In 2024, Group remained proactive in social responsibility across all its operational countries, raising over PLN 2.5 million from Polish customers and donating an additional PLN 1 million to NGOs supporting victims of the September floods in Poland, Czechia, and Slovakia. Concerning sustainability, Allegro's 2023 ESG report, Remuneration report, and IFRS accounts have been recognized by the Institute of Accounting and Taxes. The Group has also strengthened "The Allegro Way" framework within key HR processes, such as performance appraisals and recruitment, to better facilitate the development of Allegro employees.

3. Board

Allegro.eu, being a company incorporated and existing under the laws of Luxembourg, has a one-tier (unitary) management system in which the Board includes both executive directors (dealing with the day-to-day management) and non-executive (supervising) directors – as opposed to the majority of Polish companies, having both the management board and the supervisory board.

The Board is vested in the broadest powers to manage the business of the Company and to authorise and/or to perform all acts of administration necessary or useful to implementing the Company's corporate purpose as described in the articles of association of the Company, except for matters expressly reserved by laws or the articles of association to the general meeting of shareholders. The Board has a number of responsibilities, which include approving the Group's annual budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board meets when required by the Company's business, and at least once per quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of the votes of the voting directors present or represented, not considering abstentions. The Board held 10 meetings in 2024, with 100% attendance in person, via teleconferencing system or via proxy.

The Board at Allegro.eu has undergone notable changes compared to the previous year. Till June 26, 2024, the Board comprised 45% independent directors, 27% female representation, and 27% of

members with expertise in ESG areas. On June 26, 2024, there were changes in the Board. Darren Huston resigned as chairman. Paweł Padusiński and Clara (dit Carla) Smits-Nusteling resigned from the Board. Gary McCann became the new chairman. Laurence Bourdon-Tracol also joined the Board as an independent non-executive director. As a result of these changes, the number of executive and non-executive members on the Board has changed. Finally the proportion of independent directors has increased to 60%, meeting Allegro Group's goal of enhanced independence. Additionally, the Chairman is an independent director, which is crucial for unbiased oversight. Female representation on the Board has risen to 30%. Furthermore, 60% of the Board members now possess expertise in ESG and climate-related areas, and the Board includes a specific member responsible for ESG matters, ensuring dedicated oversight and strategic direction in this critical area. To comply with principles contained in the Best Practice for the Warsaw Stock Exchange listed companies we introduced a Diversity Policy, which contains guidelines considering Diversity of the Board. By the end of 2024, the Board at Allegro.eu consisted of 2 executive directors (the CEO and CFO) and 8 non-executive directors. This composition underscores the company's commitment to diversity and independence, both of which are essential for effective governance and decision-making.

The table below sets out the name, age, position, year of appointment and the year in which the current term expires for each of the directors of the Company as of December 31, 2024.

Name	Year appointed – year term expires	Representative	Independence status	Age	Gender	Expertise in ESG and Climate areas
Gary McGann	2024-2027	Non-Executive Chairman	Independent	75	M	Yes
Catherine Faiers	2023-2026	Non-Executive Director	Independent	44	F	Yes
David Barker	2020-2026	Non-Executive Director	Not independent	57	M	No
Roy Perticucci	2022-2028 ^[1]	Executive Director, CEO	Not independent	62	M	No
Jonathan Eastick	2020-2026	Executive Director, CFO	Not independent	58	M	No
Nancy Cruickshank	2020-2026	Non-Executive Director	Independent	54	F	Yes
Pedro Arnt	2022-2028	Non-Executive Director	Independent	52	M	Yes
Richard Sanders	2020-2026	Non-Executive Director	Not independent	53	M	No
Tomasz Suchański	2023-2026	Non-Executive Director	Independent	53	M	Yes
Laurence Bourdon-Tracol	2024-2027	Non-Executive Director	Independent	53	F	Yes
Summary	80% non executive		60% independent	30% female		60% has ESG or Climate related experience
	20% executive		40% not-independent	70% Male		

[1] Roy Perticucci would step down on June 26, 2025.

On 22 September 2021 the Board of Allegro.eu approved an Amendment to the Rules of Procedure by introducing a new target to have at least a majority of independent directors on the Board. The Board has adopted a maximum timeline of five years ending on 1 September 2026 to achieve this target. At the end of 2024 the Allegro.eu reached the independence targets.

The aim when appointing the Board members is to ensure the selection of people with diverse knowledge, skills and experience, adequate to their functions in order to ensure high-quality perfor-

mance by these bodies. Allegro's diversity & inclusion approach includes principles emphasising that differences in opinions and personal background (which, apart from the criteria mentioned above, result from the field of nationality, gender and age) help to achieve the best results.

A mark in the skills matrix above indicates a specific or specialized area of focus or expertise that each Director brings to the Board. Not having a mark does not mean the Director does not possess that qualification or skill.

Skill matrix of member of the Board (as at 31/12/2024):

Name	Digital/ Technology	Industry experience: Retail/ E-commerce	Risk Management	Accounting & Finance	ESG/ Climate/ Sustaina- bility
Gary McGann		X	X	X	X
Catherine Faiers	X	X		X	X
David Barker				X	
Roy Peticucci	X	X		X	
Jonathan Eastick		X	X	X	
Nancy Cruickshank	X	X			X
Pedro Arnt	X	X		X	X
Richard Sanders	X				
Tomasz Suchański		X		X	X
Laurence Bourdon-Tracol	X	X	X	X	X

Gary McGann

Gary McGann is the Chairman of Allegro.eu (Online Shopping), Sicon Ltd (Sisk Group – Construction) and Aon (Investment Holdings) Ireland, the world leading global professional services group in the areas of Risk Capital and Human Capital (Professional services – risk, retirement & health solutions). He is the former Group Chief Executive Officer of the Smurfit Kappa Group plc, one of the leading providers of paper-based packaging solutions in the world. He is also former CEO of Aer Lingus Group (Aviation) and Gilbeys of Ireland (Wine & Spirit Distributor), a former Chair of DAA (Dublin Airport Authority), Aryzta AG (International Bakery Company), a former director of Green Reit Plc (Real Estate Investment) and a former NED/SID of UDG Plc (Healthcare). In August 2023 Gary retired from his position as Chairman of Flutter plc (Fanduel – Online Sports Betting) which he held for 9 years. Gary is also a consultant for Middle Game Ventures, and a Senior International Advisor/Chair of Teneo Ireland. He is a former President of IBEC (Irish Business and Employers' Confederation) and a former Chair of CEPI (European Paper Industry). In the "not for profit sector" Gary is a director of Barnardos and Chair of The Ireland Funds.

Catherine Faiers

Catherine Faiers was appointed a member of the Allegro Board on May 12, 2023. She is a highly regarded e-commerce leader, with proven executive experience in roles across strategy, sales, marketing, product, technology, finance, and operations. Over her career, she has been responsible for successfully delivering digital, data and technology transformations at three leading marketplaces: Auto Trader, Addison Lee and Trainline. Currently, she holds the position of Chief Operating Officer at Auto Trader Group plc (FTSE 100 company), being an Executive Board Director, an attendee at all Board committees and a member of the Executive team. She is Certified Senior Manager at Auto Trader under the FCA SM&CR, and sits on the Exec Risk Committee at Auto Trader. She has a carbon literacy training qualification with the carbon literacy trust and sits in the corporate and social responsibility committee at Auto Trader which is responsible for ESG & Climate strategy. Previously, Catherine was a Chief Operating Officer at Addison Lee, with responsibility for running the day-to-day operations of the business, strategy and M&A. Before that, working as a Director of a leading online business at Trainline, she was responsible for strategy, change, M&A, and investor relations. Catherine gained corporate finance experience at Director level, providing Board-level advice to public and private companies covering: M&A, debt, IPO, and pensions. She also worked as a Chartered Accountant and Audit team leader on a number of key accounts at PwC.

David Barker

David Barker led Cinven's investment in Allegro and has been a member of the supervisory boards of the Allegro and Ceneo operating companies since 2017. He was appointed a member of the Allegro Board on September 1, 2020. David joined Cinven in 1996 and is a partner and a member of the Investment Committee at Cinven. He has been involved in many of Cinven's technology, media and telecom investments.

Roy Perticucci

Roy Perticucci joined Allegro as CEO in September 2022. He is a business leader with over 20 years of experience at the helm of retail and e-commerce businesses internationally. Prior to joining Allegro, he led the European Operations/Customer Fulfillment at Amazon between 2013-2020 and for a short time simultaneously held the same responsibility for North America. Previously, he held senior roles at large retailers including Ahold (Albert.nl), Dixon's, and Tesco across Europe. He began his career as a software developer at Accenture in Milan, and later as a consultant at the Boston Consulting Group in Munich.

Jonathan Eastick

Jonathan ("Jon") Eastick joined the Group as CFO in February 2018 and was appointed as a member and executive director of the Allegro Board on September 1, 2020, following the Group's IPO. Jon is also a member of the Allegro Management Board. Previously, he was a director at Ernst & Young and has 35 years of experience in finance and management. This includes over 20 years in CFO roles from Allegro, Netia, Polska Telefonia Cyfrowa, and Lucent Technologies Poland. Jon holds a Bachelor of Science in International Trade and Development Economics from the London School of Economics and Political Science and is a British Chartered Accountant.

Nancy Cruickshank

Nancy Cruickshank was appointed a member of the Allegro Board on September 1, 2020. She has Chaired Allegro's Remuneration, Nomination, and ESG Committee since May 2022. Nancy is an Operating Partner at Exponent PE in London, where she also Chairs two of their portfolio companies, Go City and Wowcher. She is also an independent Non-Executive at Flutter Entertainment Plc (FTSE 100). Previously, Nancy was Chief Digital Officer at Carlsberg, having held a NED position with the company for 18 months prior to joining the Executive Team. She has worked in the digital industry for 25+ years, including launching Conde Nast online in 1996, overseeing Telegraph Media Group's digital business and operating as a serial entrepreneur to build the beauty marketplace, MyShowcase, and the fashion and beauty market leader, Handbag.com between 2001 and 2006, leading to a successful sale to Hearst Corporation in 2006. Nancy holds a Bachelor of History from the University of Leeds.

Pedro Arnt

Pedro Arnt was appointed a member of the Allegro Board on June 22, 2022. He has been working for over 20 years in various senior leadership capacities in the consumer internet industry and is currently the CEO of dLocal, a publicly listed, global leader in emerging markets fintech. Prior to that, Pedro served for over 12 years as the Chief Financial Officer of MercadoLibre (MELI), one of the largest global marketplaces and Latin America's most popular e-commerce site by number of visitors. Prior to joining MELI in 1999, Pedro worked for the Boston Consulting Group in its Buenos Aires and São Paulo offices. Over his career, he has held roles in various capacities, gaining multi-year experience leading a variety of teams from early-stage corporate development and marketing, through managing the company's customer experience operations, continuing as Vice President of Strategic Planning, Treasury & Investor Relations. He was a member of Mercado Libre's Risk Committee, and led the company's ESG & Climate agenda and currently sits on dLocal's Risk Committee.

Richard Sanders

Richard Sanders led Permira's investment in Allegro and has been a member of the supervisory boards of the Allegro and Ceneo.pl operating companies since 2017. He was appointed a member of the Board on 1 September 2020. Richard joined Permira in 1999 and is a partner and a member of the Executive and Investment Committees. At Permira, Richard was the Co-Head of Technology until 2023 and has extensive experience in the sector. Since February 2022, he has been a Board member of MercadoLibre (MELI).

Tomasz Suchański

Tomasz Suchański was appointed a member of Allegro's Board on May 12, 2023. He is the CEO of the Żabka Group and many years of experience and deep understanding of the mechanisms that govern the industry allow him to direct the activities of Żabka in a way that has resulted in the position of the leader of the convenience model in Central and Eastern Europe. He is also a chairman of an ESG committee in the Żabka Group. Prior to becoming CEO in March 2016, he was involved with various Jeronimo Martins companies. He worked in the group's international structures, and before that, from 2011 to 2014, he was the General Manager of the Biedronka retail chain in Poland. Previously, he held the positions of Chief Financial Officer of Jeronimo Martins Polska, its Member of the Management Board and operational director of the central region. Before coming to Poland in 2005, he worked on the international market, dealing with Portuguese chains of the Jeronimo Martins group. In 2003, he took up the post of Financial Director of the Recheio wholesale chain, and earlier, as a member of the Financial Department, he was in charge of Pingo Doce supermarkets and Feira Nova hypermarkets.

Laurence Bourdon-Tracol

Laurence Bourdon-Tracol was appointed a member of the Allegro Board on June 26, 2024 and has since chaired Allegro's Audit Committee. Laurence has extensive board and governance experience as an executive and non-executive director. Laurence's 30-year executive career spans multiple e-commerce marketplaces in consumer technology. Currently, she is the Chief Financial Officer at Skyscanner and she is responsible for ESG reporting. Previously at Gousto and Calidashe was a Chair of the Audit and Risk Committee and at eBay Inc., she led various finance functions, including CFO Deputy for Europe/APAC and a board member for global treasury entities. Prior to joining eBay she was responsible for SOX Compliance (Internal Controls Implementation – Governance) and Internal Audit (Operational & Financial Audits – Enterprise Risk Management) in Xilinx.

**Darren Huston
– resigned in June 2024**

Darren Huston joined the Group as Executive Chairman in January 2017 and was appointed as a member of Allegro's Board on May 12, 2017. Upon the conversion of the group to a public limited liability company (société anonyme) was appointed as a Director of the Issuer as of August 27, 2020, with his term as a Board member renewed on September 1, 2020. Previously, Mr. Huston was CEO of Booking.com and Group CEO of the Priceline Group and has also held various roles with Microsoft (including as CEO of Microsoft Japan), Starbucks and McKinsey & Company. Mr. Huston is the CEO and Founder of BlackPines Capital Partners and also Chairman of Skyscanner, The Knot Worldwide, and Operto. He holds an MBA degree from Harvard University and an MA in Economics from the University of British Columbia.

Paweł Padusiński
– resigned in June 2024

Paweł Padusiński led MidEuropa’s investment in Allegro and has been a member of the supervisory boards of Allegro and Ceneo operating companies since 2017. He was appointed a member of the Issuer’s Board on September 1, 2020. Mr. Padusiński is a partner at MidEuropa where he has worked since 2005. Prior to joining MidEuropa, Mr. Padusiński worked in the corporate finance department at PwC in Warsaw. He holds an M.Sc. in Finance & Banking and Strategic Management from the Warsaw School of Economics.

Clara (dit Carla) Smits-Nusteling
– resigned in June 2024

Clara (dit Carla) Smits-Nusteling was appointed a member of the Allegro Board on September 1, 2020. Ms. Smits-Nusteling is currently Non-Executive Director and Audit Chair of Nokia Corporation and Board member at Stichting Continuïteit Ahold Delhaize – a foundation organised under the laws of the Netherlands to safeguard the interests of Koninklijke Ahold Delhaize N.V. Previously, Ms. Smits-Nusteling was Non-Executive Director and Audit Chair of ASML, Chairwoman of the Board of Tele2 AB, lay judge of the Enterprise Court of the Amsterdam Court of Appeal as well as CFO and member of the Board of Management of Royal KPN N.V. She also held several finance and business-related positions at Royal KPN N.V. (including responsibility for risk management) and PostNL. Ms. Smits-Nusteling holds a Master’s degree in Business Economics from the Erasmus University of Rotterdam and an Executive Master of Finance and Control degree from the VU University of Amsterdam.

The Board is responsible for oversight of ESG and Climate impacts, risks, and opportunities at Allegro Group. The Board holds the overall responsibility for managing the business and ensuring compliance with legal requirements and internal policies. The Board held 10 meetings in 2024, on 4 ESG and climate impact, risks and opportunities or policies were discussed.

The responsibilities for impacts, risks, and opportunities are clearly delineated in the undertaking’s terms of reference, board mandates, and related policies. The Board is charged with ensuring that the Company meets its strategic objectives, including managing impacts, risks, and opportunities. This broad mandate empowers the Board to guide the Company towards its goals while maintaining compliance with relevant laws and policies. Complementing this, the ESGCo (previously RemNomESGCo) is specifically tasked with overseeing ESG and Climate matters, ensuring that these critical areas receive focused attention. The ESG Committee shall act as an advisory body to the Board, which shall aim to support the work of the Board regarding the ESG strategy. The duties of the ESG Committee are in particular:

- to provide a strategic recommendation on ESG and Climate strategy, Group’s priorities including double materiality assessment and flagship KPI’s,
- to oversee the ESG strategy, and ESG-related policies for the Group (including Climate decarbonization strategy),
- to monitor the ESG performance (including decarbonization) based on the approved priority areas and flagship KPI’s,
- to make recommendations to the Board it deems appropriate on any area within its ESG remit where action or improvement is needed.

To ensure effective management, the Board may delegate day-to-day management to one or more Directors, officers, managers, or other agents (Day-to-Day Managers). These individuals are authorized to act on behalf of the Company with respect to day-to-day management matters, ensuring that operational decisions align with the Company’s strategic objectives. The ESGCo is tasked with specific

responsibilities related to ESG matters, including strategy, policy oversight, and performance monitoring, thereby integrating sustainability into the core management processes. Additionally, Chief Executive Officer, Chief Legal Officer and Group Chief Financial Officer oversee ESG strategy implementation and cyber security strategic projects. Moreover, the ESG Core Team produces quarterly status reports while cooperating with the Chief Security Officer (CSO) and the Risk and Compliance Manager by monitoring possible climate impact, risks and opportunities related in particular to business and operational risk.

Communication and reporting lines are well-established to maintain transparency and accountability. The ESGCo reports formally to the Board on its proceedings after each meeting, ensuring that the Board is kept informed of all ESG-related activities and decisions. The committee’s chairman also attends the annual general meeting to answer shareholder questions about the committee’s activities, fostering open dialogue with stakeholders.

Dedicated controls and procedures are applied to the management of impacts, risks, and opportunities, integrated with other internal functions to ensure cohesive governance. The Board ensures compliance with legal requirements and internal policies, including those related to ESG matters. The ESGCo has the authority to obtain information, professional advice, and the attendance of experts as needed to fulfill its responsibilities, ensuring that the committee can effectively oversee ESG initiatives.

The Board is responsible for setting the Company’s strategic objectives and ensuring that the Company meets these objectives, including overseeing the setting of targets related to material impacts, risks, and opportunities. The ESGCo plays a crucial role in this process by providing strategic recommendations on ESG and Climate strategy, overseeing the ESG strategy and related policies, and monitoring ESG performance based on approved priority areas and flagship KPIs. This collaborative approach ensures that Allegro Group remains committed to its sustainability goals while navigating the complexities of the business environment.

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At Allegro.eu, the Board is committed to ensuring that they possess or can develop the necessary skills and expertise to oversee sustainability matters effectively. This commitment is primarily driven by the ESGCo, which plays a pivotal role in this process. The committee is composed of at least three non-executive Directors, the majority of whom are independent, ensuring that their judgment remains unbiased and free from conflicts of interest.

The Board evaluates the quality and efficiency of its operation, the performance of the Chairperson and the CEO, and the performance of its committees on a yearly basis. This evaluation includes assessing the sustainability-related expertise and performance of the bodies. At the end of 2024 60% directors have expertise in the ESG. This continuous assessment ensures that the Board and its committees maintain a high level of competence in overseeing sustainability matters.

The skills and expertise of the Board and ESGCo members are closely linked to the Group material impacts, risks, and opportunities related to climate monitoring, greenhouse gas emissions reduction, energy efficiency, renewable energy use, data security, and social responsibility. Their diverse backgrounds and roles in various organizations equip them to effectively address these challenges and

leverage opportunities for sustainable growth and development at Allegro. The experience of ESGCo members is detailed in the Board members profiles. The ESGCo provides strategic recommendations on ESG and Climate strategy, oversees the ESG strategy and related policies, and monitors ESG performance based on approved priority areas and flagship KPIs.

Furthermore, RemNomCo regularly reviews the structure, size, and composition of the Board, including the skills, knowledge, experience, and diversity. This includes putting in place plans for the orderly succession of appointments to the Board and senior management, taking into account the challenges and opportunities facing the Company and the skills and experience needed.

At Allegro Group, there exists a multi-member Employee Representation body that participates in decision-making processes, although not at the Board level. The Employee Representation is actively involved in various corporate processes, ensuring that the voices and concerns of the employees are heard and considered. A description of the Employee Representation, including its role on the company's operations, is provided in chapter S1 Own workforce in Sustainability statement of the disclosure on social dialogue.



4.

Board Committees

As of December 31, 2024, the Allegro.eu has the following committees: (i) an audit committee (the "Audit Committee", AuditCo) and (ii) a remuneration and nomination committee (the "Remuneration and Nomination Committee", RemNomCo) and (iii) Environment Social and Governance committee (ESGCo).

2024 BOARD AND BOARD COMMITTEES MEETINGS ATTENDANCE OVERVIEW

Members	Board of Directors	Audit Committee	Remuneration and Nomination Committee	ESG Committee ^[1]	Joined AC/ RemNomCo/ ESG
Gary McGann (appointed on June 26th, 2024)	6/10	n/a	2/5	2/4	1/2
Catherine Feiers	10/10	n/a	5/5	4/4	2/2
David Barker	10/10	6/6	n/a	n/a	2/2
Roy Perticucci	7/10	n/a	n/a	4/4	1/2
Jonathan Eastick	10/10	6/6	n/a	n/a	2/2
Nancy Cruickshank	10/10	n/a	5/5	4/4	2/2
Pedro Arnt	9/10	5/6	n/a	n/a	1/2
Richard Sanders	10/10	n/a	n/a	n/a	n/a
Tomasz Suchański	9/10	n/a	5/5	4/4	1/2
Laurence Bourdon-Tracol (appointed on June 26th, 2024)	6/10	3/6	n/a	n/a	2/2
former Board Members:					
Darren Huston (resigned on Jun 26th, 2024)	4/10	n/a	3/5	2/4	n/a
Clara (dit Carla) Smits-Nusteling (resigned on Jun 26th, 2024)	4/10	3/6	n/a	n/a	n/a
Paweł Padusiński (resigned on Jun 26th, 2024)	4/10	n/a	n/a	n/a	n/a

[1] Including meeting as a part of RemNomESGCo

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AUDIT COMMITTEE (AUDITCO)

At the beginning of 2024, the Audit Committee consisted of David Barker, Pedro Arnt and Clara (dit Carla) Smits-Nusteling (who served as chairperson). After the resignation of Clara (dit Carla) Smits-Nusteling, Laurence Bourdon-Tracol joined the AuditCo and became a chairperson.

Name	Function	Representing
Laurence Bourdon-Tracol	Chair	Independent Non-Executive Director
David Barker	Member	Non-Executive Director
Pedro Arnt	Member	Independent Non-Executive Director

The table below presents the composition of the AuditCo as of December 31, 2024.

The duties of the Audit Committee include reviewing: the integrity of financial and sustainability information reported externally; the effectiveness of internal control and risk management systems; and the independence, objectivity, remuneration and scope of work of the Group's external and internal auditors.

In particular, its tasks and responsibilities include:

- review and approval of the annual audit plan and setting direction for the audit plans for a period of several years,
- discussion of the audit reports with the internal and external auditors as well as with the management, and the monitoring of their implementation,
- the assessment of the performance of the internal and external auditors as well as their cooperation with one another,
- support of the Company's Board in the nomination of the external auditors to be proposed to the shareholders' meeting for election, particularly with respect to the auditors' independence from the Group, their qualifications and the share of non-audit fees in their total remuneration,
- checking the independence of the internal audit department from the Group and the units to be audited as well as the approval of the guidelines for the work of the internal audit department,
- the assessment of the consolidated financial statements, the statutory financial statements and the management report of the Company as well as the decision whether they can be recommended to the Company's Board for submission to the shareholders' meeting,
- oversight of the ESG and Climate reporting process and ensuring integrity of non-financial disclosures.
- monitoring the third party assurance of ESG and Climate disclosures,
- oversight of data protection rules and security measures,
- review of major security and data privacy incidents and communication with regulators,
- the periodical assessment of the internal control system,
- the periodical review of the adequacy and security of the Groups whistleblowing, fraud detection and anti-bribery procedures.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES IN 2024

In 2024 the Audit Committee held 6 meetings held on: 12 March, 17 May, 25 June, 16 September, 12 and 26 November . Key focus areas and discussion points of the Committee were:

- discussion and approval of quarterly, half-yearly and annual investor reporting packages,
- risk management, compliance, ethics, fraud & cybersecurity,
- deep dives on specific focus areas:
 - compliance,
 - whistleblower, anti-fraud & anti-bribery,
 - internal audit,
 - risk management,
 - security and data privacy,
 - estimates and judgments prior to the annual closing,
- results of Internal Controls over Financial Reporting (ICFR) testing,
- past audits' remediation reporting and monitoring (regular updates),
- annual audit plan of the external auditor and the internal audit function,
- Corporate Sustainability Reporting Directive reporting progress review,
- performance of the external and internal auditors,
- review of treasury policies,
- annual assessment of the Audit Committee and the annual report of the Committee to the Board.

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**REMUNERATION AND NOMINATION COMMITTEE (REMNO MCO) – PREVIOUSLY
REMUNERATION, NOMINATION AND ESG COMITTEE (REMNO M ESGCO)**

At the beginning of 2024, the RemNomESGCo consisted of: Nancy Cruickshank (who serves as chairperson), Darren Huston, Catherine Faiers and Tomasz Suchański. In 2024, the committee changed its composition and scope of activities. After the resignation of Darren Huston, Gary McCann joined

the committee. In November 2024, Richard Sanders joined the committee, a separate ESG committee was established, and the RemNomESGCo was re-structured into the RemNomCo.

The table below presents the composition of the RemNomCo as of December 31, 2024.

Name	Function	Representing
Nancy Cruickshank	Chair	Independent Non-Executive Director
Catherine Faiers	Member	Independent Non-Executive Director
Gary McGann	Member	Independent Non-Executive Director
Richard Sanders	Member	Non-Executive Director
Tomasz Suchański	Member	Independent Non-Executive Director

The tasks of the RemNomCo consist of (i) the preparation and periodical review of the Group's compensation policy and principles and the performance criteria related to compensation and the periodical review of their implementation as well as the submission of proposals and recommendations to the Company's Board and (ii) the preparation of all relevant decisions of the Company's Board in relation to the nomination of the members of the

Company's Board as well as submission of proposals and recommendations to the Company's Board. The Company's Board may delegate further powers and duties to the Remuneration and Nomination Committee. The chief executive officer and/or the chief financial officer of the Company or any member of the Company's Board may be invited as an observer from time to time to meetings of the Remuneration and Nomination Committee.

SUMMARY OF REMUNERATION AND NOMINATION COMMITTEE ACTIVITIES IN 2024

In 2024 the RemNomCo (previously RemNomESGCo) held 5 meetings in February (1), March (1), June (1), September (1) and November (1). Key focus areas and discussion points of the Committee were:

- review and approval of 2023 annual bonus pool and bonus payout and approval of AIP PSU Performance results for executive directors and key managers of Allegro,
- review and approval of 2024 remuneration of Allegro.eu directors and key managers as well as of Allegro Incentive Plan pool and grant for 2024,
- review and approval of changes in Allegro Short Term Incentive Plan (annual bonuses),
- review and approval of STI and LTI KPIs for executive directors and key managers of Allegro,
- review and approval of compensation packages for senior management compensation and leaving arrangements when applicable,
- strategic recommendation on ESG priorities and monitors ESG & Climate strategy implementation,
- review of refreshed ESG strategic framework, double materiality analysis and ESG operational plan,
- linking ESG objectives with employee remuneration.

ESG COMMITTEE

Given the importance of the sustainability area for the Allegro Group, in November 2024, the ESGCo committee emerged from the RemNomESGCo committee. Ms. Catherine Faiers assumed the leadership of the committee.

The table below presents the composition of the RemNomCo as of December 31, 2024.

Name	Function	Representing
Catherine Faiers	Chair	Independent Non-Executive Director
Laurence Bourdon-Tracol	Member	Independent Non-Executive Director
Pedro Arnt	Member	Independent Non-Executive Director
Tomasz Suchański	Member	Independent Non-Executive Director

The tasks of the ESG Committee include managing ESG impacts, risks, and opportunities. The main areas of interest and discussion points of the Committee were as follows:

- Providing strategic recommendation on ESG and Climate strategy, Group's priorities including impact, risk and opportunities identified in double materiality assessment, and flagship KPI's,
- Monitoring stakeholder expectations and global developments on ESG and oversee the implementation and execution of to oversee the ESG strategy, and ESG-related policies for the Group, including Climate decarbonization strategy, gender pay gap, employee engagement scores, employee network engagement, data privacy, security and others,
- Overseeing the process of identifying relevant regulatory requirements relating to sustainability, including environmental reporting, and monitor compliance with these obligations,
- Providing guidance and recommendations to the Remuneration Committee members on the connection between ESG KPIs and company wide remuneration policies,
- Making recommendations to the Board it deems appropriate on any area within its ESG remit where action or improvement is needed.

5.
Shareholders
of the company

Based on the most recent available information, to the best of Management's knowledge, the Group's shares are 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
Permira VI Investment Platform Limited	233,678,572	22.10%	233,678,572	22.10%
Cidinan S.à r.l.	198,905,845	18.81%	198,905,845	18.81%
Free Float	624,320,436	59.09%	624,320,436	59.09%
Total	1 056 904 853	100.00%	1 056 904 853	100.00%

The largest individual shareholders of the Group since its inception in 2017 (when the Company was originally named Adinan Super Topco S.à r.l., prior to being renamed Allegro.eu s.a. in 2020) have been the private equity funds: Cinven and Permira and Mid Europa Partners (together the "Significant Shareholders"). In October 2023, the Group received

notification from Mid Europa Partners that its stake in Group's shares, held by Mepinan S.à r.l., had gone below the 5% threshold following disposal of shares on 10 October 2023. As such shares held by Mepinan S.à r.l. are accounted as free float since they are below the 5% threshold.

6.

Compliance with corporate governance recommendations and principles contained in the Best Practice for the Warsaw Stock Exchange listed companies

As the Group's shares are only admitted to trading on the WSE, the Group has not opted to comply with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

In accordance with the WSE Rules, the Company as a public entity listed on the Warsaw Stock Exchange should observe the principles of corporate governance set out in the WSE Best Practices. The WSE Best Practices is a set of recommendations and rules of procedure for governing bodies of publicly listed companies and their shareholders. A new edition of WSE Best Practices was introduced in March 2021 and entered into force on 1 July 2021, covering new areas of corporate governance, e.g. climate, sustainable development, diversity on corporate bodies, and equal pay. The WSE Rules are available on the WSE website.

Under the WSE Rules, publicly listed companies disclose information on their compliance with corporate governance rules and the scope of information to be provided. If a certain rule is not complied with by a publicly listed company on a permanent basis or has been breached incidentally, such publicly listed company is required to disclose this fact in the form of a current report.

Following the WSE Rules, on 30 July 2021 the Group published its first Best Practice 2021 statement of compliance. The statement was updated by the Board on 28 March 2023 and remains applicable to current circumstances thereafter.

The "comply" ratio for the Company as at the date of this report is 92%. Information on the application of the principles contained in the WSE Best Practices is available on the Company's corporate website, in the "Corporate Governance" section. It contains detailed explanations of both the principles that the Company applies and those that it has waived from.

The practices where the Group was not compliant with the WSE Best Practices in 2024, disclosed in the statement of compliance, are discussed below. Besides, the Board monitors and assesses the issues of compliance of the Group with the WSE Best Practices on an ongoing basis. To date, no cases of permanent or incidental breach have been reported.

1.5. Companies disclose at least on an annual basis the amounts expended by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

The principle was not applied.

Comments of the Company: The Company cannot guarantee that the above principle will be implemented and does not intend to disclose full information on such expenses, as covered by business secrecy. However, it is not excluded that the Company will disclose such information in the future.

2.11.5. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such a report includes at least the following: assessment of the rationality of expenses referred to in principle 1.5.

The principle was not applied.

Comments of the Company: The Company intends to present information mentioned in the principle 2.11, except point 2.11.5, as such expenses referred to in principle 1.5 are not to be disclosed.

4.1. Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

The principle was not applied.

Comments of the Company: Due to a list of legal risks related to electronic form of the general meeting, the Company did not enable active participation of shareholders in its general meeting outside its seat in Luxembourg. The Company may implement such measures in the future once it becomes practical to do so and provided that no significant legal risks related to this form of the general meeting are identified.

7.

Certain relationships and related party transactions

According to IAS 24 "Related Party Disclosures," entities and persons are considered to be related to a company if the entity or a close relative of the person:

- controls the company or is involved in its joint management, exercises significant influence over this company or holds a key position in the management of the company or a parent entity;
- is a member of the same group of companies;
- is associated with the company within the meaning of IAS 28 "Investments in Associates and Joint Ventures" or a joint venture in which the company is a partner within the meaning of IAS 31 "Interests in Joint Ventures";
- to the same extent as the company is a joint venture of the same third parties;
- is a company that is controlled by a related party, is significantly influenced by it or is subject to a joint management, in which a related party of that company is involved or in which such a person holds a key position in the management; or
- is a pension fund established for the benefit of the employees of the company or for the benefit of an entity related to that company for payments after termination of the employment relationship.

Material transactions and legal relationships which existed between the Group and the above-mentioned related persons and entities in the current financial year 2023 as well as in the previous year, that are required to be reported in connection with IAS 24 "Related Party Disclosures" are set forth in Note 39 (Related Party Transactions) to the Annual Financial Statements. Transactions with related parties referred to settlements of consulting and management services and loans granted. All transactions were entered into on an arm's length basis.

The Group has entered into the following transactions with its shareholders and their affiliates.

BUSINESS OFFICE SERVICES

Allegro sources corporate and secretarial administration services from Business Office Services S.à r.l., an affiliate of Alter Domus Luxembourg S.à r.l. ("Alter Domus"), which both Permira and Cinven are invested in. More details on the services provided and agreement in place are described in the paragraph below.

ALTER DOMUS MASTER SERVICES AGREEMENTS

Alter Domus and its affiliate, Business Office Services S.à r.l., have entered into a services agreement pursuant to which several services are provided to the Company, including the provision of approximately 100 square metres of dedicated furnished office space. These services benefits the Group since 1 October 2020. The term of the agreement is set at twelve months and is renewable. The agreement may be terminated at any time during the initial or the subsequent term, subject to a notice period of four months.

The Group also entered into a Master Services Agreement with Alter Domus on 21 September 2020 pursuant to which Alter Domus has agreed, with effect as of 12 October 2020, to provide the Group with a certain number of services including amongst others (i) accounting and reporting compliances services, (ii) corporate and secretarial administration services, (iii) directors services, (iv) domiciliation services, (v) corporate tax compliance services.

8.

Legal proceedings

From time to time, the Group may be involved in various claims and legal proceedings relating to claims arising out of its operations. Current proceedings, including those during the twelve months preceding the date of this Report, and proceedings that are

pending or threatened of which the Group is aware that may have significant effects on the Group are described below.

LEGAL DISPUTES RELATING TO THE MINORITY STAKE OF SHARES IN EBILET

The Group is aware of certain pending legal disputes between individuals associated with Bola Investment 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"). eBilet Polska has been part of the Group since April 2019. eBilet sp. z o.o. is not, and has never been, part of the Group.

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.

PROCEEDINGS BEFORE THE OCCP PRESIDENT

ANTITRUST PROCEEDINGS RELATED TO ALLEGED ABUSE OF A DOMINANT POSITION BY FAVOURING OWN SALES ACTIVITY ON THE PLATFORM

On 29 December 2022 the OCCP President issued a decision imposing a fine on Allegro in the amount of approx. PLN 206 million for the violation of competition law consisting in the abuse by Allegro of a dominant position on the Polish market of services of intermediation in on-line sales between entrepreneurs and individual customers, offered to sellers on e-commerce platforms, by using, for the purposes of operating its 1P business: (a) information on the functioning of the Allegro marketplace and the behaviour of buyers on the platform, which was not available to 3P merchants or was available to them only to a limited extent; and (b) certain sales and advertising tools of the platform which were not available to 3P merchants or were available to them only to a limited extent. The decision ends the antitrust proceedings regarding the potential abuse of a dominant position initiated in December 2019.

Allegro does not agree with the decision and appealed it to the court of first instance on February 2nd, 2023. Allegro remains of the opinion that the OCCP President defined the market too narrowly, Allegro does not hold a dominant position and it did

not favour 1P in any anti competitive way. Since the date of the last annual report, the OCCP President filed its response to Allegro's appeal. There were no substantially new arguments in that response. In February 2024, Allegro made an additional submission to the Court with additional argumentation.

As of the date of this report, the court has not announced the date of the first hearing. The judgement of the court of first instance may be appealed to the Court of Appeal and ultimately to the Supreme Court. Courts may uphold or annul the decision or significantly decrease the fine. The fine, if sustained, becomes due and payable only upon ruling of the Court of Appeal.

It is more likely than not that the fine imposed on Allegro will not become due and payable. According to the Group's Management view supported by external counsel opinion, the UOKiK's decision should not be upheld in court, and even if not annulled, the courts tend to significantly reduce fines imposed by the UOKiK however it can not be reliably measured. For these reasons no provision has been created.

PROCEEDINGS AGAINST ALLEGRO TO INVESTIGATE WHETHER ALLEGRO'S TERMS AND CONDITIONS CONTAIN ABUSIVE CLAUSES

The OCCP monitors whether specific provisions used in the Allegro's Terms & Conditions may constitute unfair contract terms towards consumers. For example on 29 December 2022 the OCCP issued a decision stating that modification clauses used in (i) Allegro T&Cs until 22nd December 2022 and in (ii) Smart! T&Cs until 21st November 2022 constitute unfair contract terms and can no longer be used towards consumers. The fine imposed on Allegro amounted to approx. PLN 1.2 million for the clause in Allegro T&Cs and PLN 2.7 million for the clause included in Smart! T&Cs. Also, the OCCP obliged Allegro to inform consumers about the decision on Allegro's website and its Facebook profile.

Allegro did not agree with the decision and appealed it to the court of first instance. On 11 December 2024 The Court of First Instance dismissed the appeal and upheld the decision. Allegro is planning to appeal this judgement to the Court of Appeal. Allegro remains of the opinion that its modification clauses were not unfair and the fine imposed by the OCCP President was too high (it did not take into account important mitigating circumstances). The Court of Appeal may uphold, annul or change the decision of the Court of Appeal (e.g. it may significantly decrease the fine). The fine, if sustained, becomes due and payable only upon ruling of the Court of Appeal. The judgement of the Court of Appeal can be appealed to the Supreme Court.

EXPLANATORY PROCEEDINGS AND INFORMAL INFORMATION REQUESTS
FROM THE OCCP PRESIDENT

In the past, the OCCP President has both informally asked the Group for information about its operations as well as decided to instigate explanatory proceedings related to the protection of competition and/or protection of consumers. The Group deals with numerous requests for information from the OCCP and several explanatory proceedings, and this may continue in the future. Explanatory proceedings related to the rules of lease of property for parcel lockers and inflation clause in the Allegro Smart! Program Terms & Conditions were closed by the OCCP without any charges.

With regard to the explanatory proceedings and informal information requests, the Group assessed that it is not probable that an outflow of economic benefits will be required to settle the obligation and the amount of obligation cannot be measured with sufficient reliability at that stage. Therefore no provision in that respect was recognised.

If the OCCP President is not satisfied with the response to informal requests for information and/or requests within explanatory proceedings, he can issue additional requests and/or initiate explanatory (in case of informal requests), antitrust, or consumer protection proceedings.

PROCEEDINGS BEFORE THE HUNGARIAN COMPETITION AUTHORITY

On the 10th of February Allegro received a letter from the Hungarian Competition Authority stating that it launched a formal proceeding against Allegro sp. z o.o. for suspected unfair commercial practices related to their “Lowest Price Guarantee” campaign in Hungary. Allegro also received a related information request.

The Hungarian Competition Authority suspects that

1. Allegro provides untimely information to consumers on the conditions of the price guarantee scheme – which may constitute misleading omission;
2. Allegro does not act with the due diligence that can be expected in accordance with the principle of good faith and fairness, as it has designed its price guarantee scheme with multiple restrictive conditions that make it difficult for the consumer to enforce the claim and to use the coupon that can be obtained within the framework of the guarantee, which distorts consumers’ transactional decision on www.allegro.hu and the Allegro mobile app.

The proceedings cover all commercial communications related to the “Best Price Guarantee” program since October 1, 2024.

The proceedings are at its early stage and its results are unknown. Such proceedings can last usually up to 1.5 years (or more) and can end up with an infringement decision with or without a fine or with a commitment decision without a fine, or with a non-infringement decision. The decision of the Hungarian Competition Authority is immediately enforceable but can be appealed to the Court of First Instance. There is no appeal against the Court of First Instance’s judgment, but it is possible to seek extraordinary judicial review by the Supreme Court on questions of law.

The maximum penalty in this case is up to 15% of Allegro sp. z o.o. yearly global turnover, however, in practice in similar cases the Hungarian Competition Authority calculates the fine taking into account a small percentage of the local turnover in Hungary during the infringement period as a starting point, to be adjusted based on various factors.

The opening of the proceedings does not yet lead to the conclusion of the case as to its merits nor does it prejudice that the proceedings will be concluded with a decision imposing a penalty or determining the exact amount of such penalty. Allegro will duly cooperate with the authority, and to that end, Allegro will, for the time being, not launch a new Best Price Guarantee campaign in Hungary from 1 March 2025.

PROCEEDINGS BROUGHT BY CENEO AGAINST GOOGLE

On 23 December, 2024, Ceneo filed a civil lawsuit for damages against Google Ireland Limited, Alphabet Inc., and Google LLC (collectively, “Google”) in the District Court in Warsaw.

Ceneo is seeking damages for losses it claims to have incurred due to Google’s anti-competitive practice of self-preferencing its own comparison shopping service in Google search results, which Ceneo claims has been detrimental to its business. The lawsuit is related to the decision of the European Commission of 26.07.2017 (Case AT.39740 – Google Search (Shopping)), which was finally and irrevocably confirmed by the judgment of the Court of Justice of the European Union of 10.09.2024 (C-48/22 P).

Ceneo is claiming approximately PLN 2,331.0 million, which consists of losses incurred by Ceneo (approx. PLN 1,716 million) and capitalized statutory interest

for the period from 2013 until 29 November 2024 (approx. PLN 615 million). Ceneo is also claiming statutory interest on the PLN 2,331.0 million from the date of submission of the lawsuit until the date of payment.

This calculation of damages is based on the expert opinion of an independent firm of antitrust economists specialising in this type of dispute.

The proceedings are pending. The Company cannot predict the outcome of the legal proceedings or their duration as they depend on the decisions of the courts, which may involve proceedings over many years.

The Company informs that this dispute relates only to the business conducted by Ceneo and in no way relates to the business conducted by other companies in its Group, including Allegro sp. z o.o.

allegro

IV. Risk Management System, Risk Factors, and Regulatory Matters



Letter from the Chair of the Audit Committee

Dear shareholders,

It is my privilege to address you for the first time as the Chairperson of the Audit Committee at Allegro Group, following my appointment earlier last year. Since assuming this role, I have been deeply committed to upholding the highest standards of governance, transparency and accountability.

The Audit Committee of Allegro.eu is responsible for overseeing financial reporting integrity, risk management, internal controls, compliance and fraud detection. We assess the quality of the audit conducted by PwC ensuring auditor independence and discuss significant audit findings. As part of our mandate we also review significant transactions, monitor whistleblowing procedures, and advise the Board on related matters. Last year, our responsibilities were further expanded to include oversight of Security and Data Privacy, as well as the Environmental, Social, and Governance (ESG) and Climate Reporting processes. Furthermore, we monitor the work and quality of the internal audit function.

GOVERNANCE

In the course of 2024, the oversight of internal controls and risk management systems remained a major area of focus of the Audit Committee. The Committee held several sessions where leaders from the Allegro.eu organization presented a detailed overview of selected areas:

- Risk Management & Security;
- Accounting and judgments ahead of Q4 closing;
- Treasury policy;
- Compliance;
- Whistleblowing & fraud prevention.

All of the above are critical for ensuring appropriate internal controls, in particular reporting and operational controls. Receiving the presentations and asking probing questions to the presenters was a key prerequisite for execution of the Committee's duties in the areas of risk management, internal controls and ensuring integrity of financial reporting.

Following our assessment, supported by the work of the Internal Audit function, the Audit Committee has determined that the Company's Risk Management, Compliance, and Internal Control systems remain robust and well-suited to the current operational and regulatory landscape. We concur with Management's assertion that the internal control framework effectively facilitates the detection and prevention of fraud and errors, thereby mitigating the risk of material misstatements in the financial statements.

**Laurence
Bourdon-Tracol**

Independent
Non-Executive
Director and
Chair of the Audit
Committee



ESG ASSURANCE

The AC recognizes the growing importance of non-financial reporting and has been actively engaged in overseeing the ESG reporting process. This has been heavily supported by the Internal Audit function, which has taken on the critical role of ensuring the accuracy, completeness, and efficiency of data collection and verification, while also supporting the development of governance-related processes. We further affirm Management's representation that the internal control environment adequately safeguards against fraud and inaccuracies that could lead to material misstatements in ESG and Climate disclosures.

BUSINESS PERSPECTIVE

The Allegro Group constantly looks to improve the ways it serves its consumers and merchants, leading to frequent changes to business models and the need to evolve accounting treatments. The AC looked closely at the principal vs agent accounting for cost of delivery as Allegro Delivery was launched earlier in 2024, for example. Additionally, the AC has carefully monitored the transformation of Mall Group and the launch of Allegro's new international marketplaces, reviewing Management's assumptions impacting impairment test results and intangible asset valuations.

Throughout the year, the Audit Committee has placed a strong emphasis on overseeing the processes aimed at further operational and systems integration of the Group. In particular, we have closely reviewed key projects designed to enhance the effectiveness and efficiency of the Group's financial processes through automation, strengthened process controls, and standardization. This area was of particular focus, as these objectives were successfully achieved through the implementation of Allegro's common processes across subsidiaries and the deployment of centralized ERP systems.

INTERNAL AUDIT

I am pleased to inform you that in 2024, our Internal Audit function was independently reviewed by an external auditor and deemed compliant with the IIA's International Standards for the Professional Practice of Internal Auditing. This certification underscores the strength of our Internal Audit function in supporting the Audit Committee's oversight responsibilities, enhancing risk management, ensuring regulatory compliance, improving operational efficiency, strengthening internal controls, and fostering a culture of continuous improvement.

As we navigate an evolving regulatory and business environment, the Audit Committee remains steadfast in its commitment to maintaining strong governance practices that uphold the trust of our Shareholders and Stakeholders. We look forward to further strengthening our oversight in the years ahead.

1.

Risk Management System

The Group operates a risk management system whereby all employees from material Group entities and in those where it is required by regulations participate in performing risk management and internal control. The risk management system is designed in a way allowing the Group to identify, measure, manage, and monitor the risks that might affect the achievement of strategic, operational, financial, reporting, ESG, climate, and compliance objectives across all business and corporate functions, as well as development projects teams. Management of ESG and climate risks is integrated with the Group's risk management system. Sustainability management and ESG risks are presented in the Material Sustainability matters chapter and Climate risk management is presented in the E1 Climate change chapter of Sustainability Statement.

An inherent quality of any actions taken by the Group is the uncertainty of process implementation and achievement of the goals set. The impact of such uncertainty on processes and their goals is defined as a risk. The purpose of risk management is to increase the potential of the Group to achieve its objectives and deliver its projects by taking measures to mitigate the risk to an acceptable level.

The purposes of the systemic risk management approach adopted by the Group include:

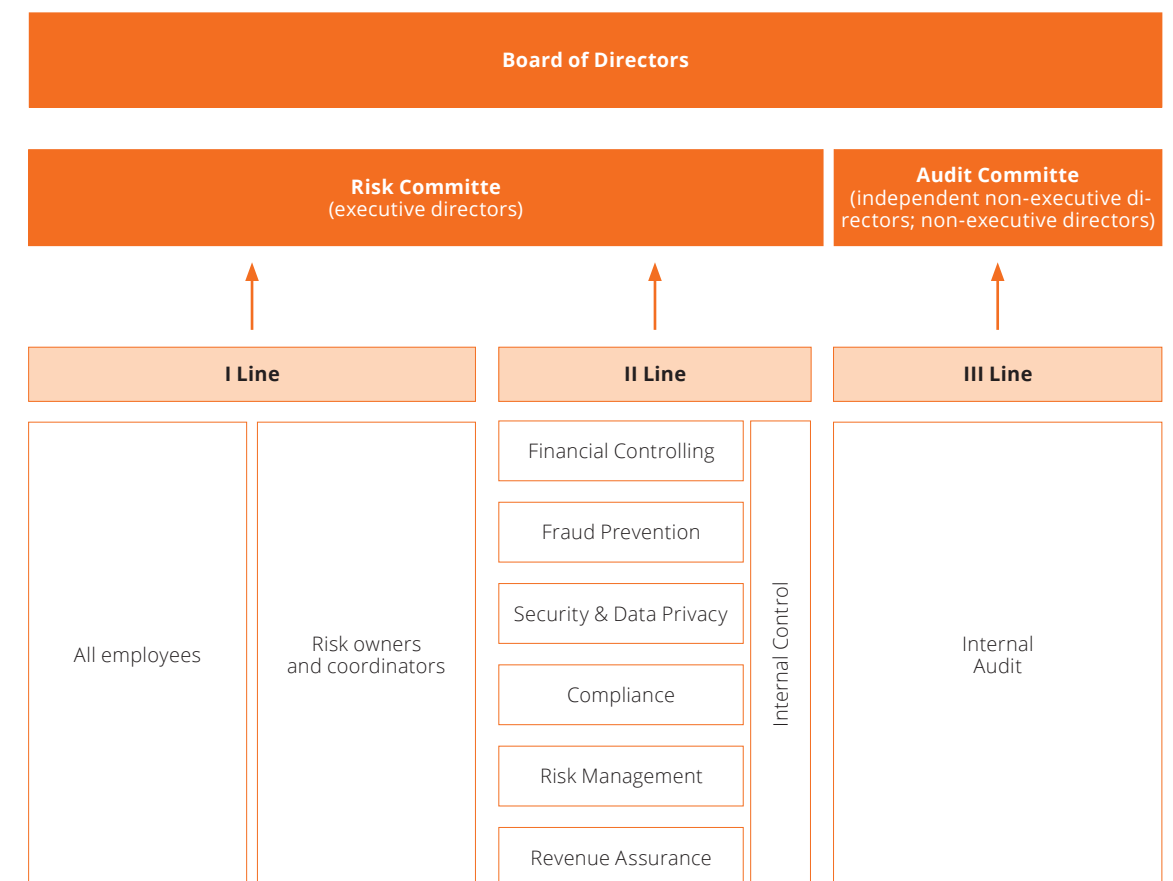
- reducing the risks affecting the achievement of goals and implementation of tasks;
- taking full advantage of the business opportunities and mitigating the risk of lost opportunities;
- improving the effectiveness of internal processes by relying on and constantly improving the existing corporate governance;
- efficient use of financial, human, and material resources as well as prevention of financial losses; and
- improving service quality.

RISK MANAGEMENT POLICY

The Group has defined its risk management policy in order to facilitate a common understanding by all employees and ensure a consistent approach in measuring and mitigating various types of risks. The policy sets out the framework structure of risk management, the scope of the system, and its rules. It describes the risk management approach applied by the Group and the individual system components.

ROLES AND RESPONSIBILITIES

The existing process ensures accountability for risk management. The scopes of responsibilities and competencies of the individuals involved in the process are set out below. All employees of the Group are responsible for risk identification and reporting.



The following roles and teams have been designated as part of the adopted risk management model:

Role	Summary of responsibilities within Risk Management
Board of Directors	• Oversight of corporate risk; • Determining the scope of risk management; • Determining the directions of the risk management system development; • Establishing the risk appetite levels.
Audit Committee	• Oversight of the Group's system of internal controls, including the risk management framework and the work of the Internal Audit function; • Evaluation of the effectiveness of internal control and risk management systems (indirectly via reviewed Internal Audit reports); • Evaluation of the results of internal controls, therein internal audits, and schedules of elimination of detected errors in selected areas; • Performing regular reviews of risk register; • Reviewing ESG and climate risks and providing the management with information on the risk appetite and tolerance.
Risk Committee	• Defining risk management strategies and submitting them to the Board for approval; • Reviewing operational risks and providing the management with information on the operational risk appetite and tolerance; • Reviewing ICT and external ICT service provider risks and providing the management with information on the risk appetite and tolerance; • Identifying and assessing the risk to which the organisation is exposed as well as providing resources that are required for risk management in general and for the management of that particular risk; • Performing gap analysis to find out whether or not a risk has been omitted during the identification process; • Monitoring the Group's risk profile – its current and potential exposure to all types of risks; • Reviewing and assessing the probability that the effects of those risks will materialise and of all mitigating measures that affect those risks; • Reviewing the risk owners and management of specific risks so as to ensure common understanding of roles and responsibilities; • Ensuring the development of risk culture and awareness in the entire company; • Undertaking relevant activities to protect health and lives, reduce material losses, recover business processes, and sustain reputation in case of security incidents or a crisis.
Risk Manager	• Keeping a register of risks for the Company that should be updated at least once a year or more frequently, in line with the risk management rules; • Ensuring the proper functioning of the risk management process in each organisational unit; • Ensuring communication in the entire risk management process; • Providing up-to-date information on risk management to the Management; • Creating and improving the risk management system documentation; • Determining the scope rights and responsibilities for risk management in the units; • Developing, implementing and coordinating the risk management strategy in cooperation with the Management, and verifying the risk mitigation plans; • Supporting and educating Group employees to build risk awareness and adherence to the risk management policy and procedures; • Maintaining Group risk register.
Risk owner	• Management of assigned risks, including the acceptance of the periodic risk assessment in their respective area; • Accepting the risk mitigation plans.
Risk coordinator	• Risk reporting as part of risk management, including periodic assessment of the risk assigned; • Defining and implementation of risk mitigation plans; • Implement and maintain key risk indicators.

Role	Summary of responsibilities within Risk Management
Internal Control	The Internal Control function is primarily focused on compliance requirements and controls in key risks areas relevant to the Group: • Advisory service in terms of controls design to fix issues / prevent issues when updating rules / procedures / policies or redesigning processes; • Development and maintenance of Internal Control related documentation (templates for walkthrough, test scripts, test plans, deficiency reports, Internal Control methodology, reporting templates); • Perform annual Scoping and PRA (process risk assessment), operational processes risk to controls mapping and evaluation; • Verification of internal controls design through performing desktop reviews / walkthrough ('TOD' – test of design); • Verification of internal controls effectiveness through controls testing ('TOE' – test of effectiveness) – with Internal Audit support / independent assurance; • Support management in evaluation of control deficiencies; • Development and implementation of remediation plans for deficient (not effective) controls; • Manage control self-assessment ('CSA') process and; • Provide management reports for internal controls (incl. 'CSA' effectiveness / completion ratio, TOE effectiveness ratio).
Internal Audit	Internal Audit ('IA') does not own any risks or bear responsibility for risk management; rather, it acts as the third line of defense, assessing and supporting the development of the overall risk management system. Below are the key roles of IA in risk management: • Providing independent assurance – verifying whether risk management processes operate as intended and effectively identify, assess, and mitigate risks; • Evaluating risk management frameworks – analyzing the adequacy of risk management strategies and corporate governance structures; • Identifying emerging risks – supporting management and the risk management department in identifying new risks and trends to prevent potential threats; • Advising on risk mitigation strategies – offering guidance and recommendations on risk responses in a manner not impairing independence; • Serving as the third line of defense – complementing the roles of the first and second line by providing independent oversight.
Employees	• Performing regular internal control activities being an integral part of business processes within the scope of daily job responsibilities; • Providing required information for risk evaluation and risk monitoring purposes; • Taking an active part in the process of risk identification and evaluation.

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RISK MANAGEMENT PROCESS

Proper identification of the environment affecting the Group and its risks is the basis for the effective implementation of the risk management process and affects each stage of the process. The analysis of the internal and external environment is the basis for risk assessment and may take into account relations with external stakeholders, trends affecting the Group's goals, governance and organisational structure, organisational culture, norms, standards, and guidelines adopted by the Group.

An important part of Group's risk management and internal control systems are the following key sets of risk management processes:

- **Risk identification and measurement processes** – risks are identified in every functional area of Group's operations, recorded in the Group risk register, and evaluated in accordance with methodology placed in risk management procedure.
- **Risk mitigation and control** – for every risk recorded in the risk register, risk owners define their internal control activities designed and implemented to mitigate existing risks.
- **Risk evaluations** – performed by risk owners and collected by Risk Manager in the system in order to update the Group risk register and prepare regular risk reports. The Risk Committee performs reviews of risk reports on a quarterly basis.
- **Risk monitoring** – risk owners are responsible for ongoing risk monitoring. Their work is overseen by the Risk Manager as part of the periodic risk assessment and indirectly by the Internal Audit.

RISK ASSESSMENT APPROACH

The risks identified by the Group are scored based on their potential impact and probability of occurrence. Depending on the risk assessment, the Group determines the level of each registered risk in the risk matrix in accordance with the approach presented below. In line with the risk management policy, the main goal of the risk management is to maximise

the value for the Group through appropriately adjusted costs related to the minimisation of the risk level based on the frequency of assessment and the possibility of greater focus on the risks scored higher. Such an approach to management, instead of eliminating the risk, gives reasonable, but not absolute, certainty that the Group is able to achieve its business goals.

RISK MATRIX

Probability	Very high					
	High					
	Medium					
	Low					
	Minor					
		Insignificant	Mild	Material	High	Very high
		Impact				

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Probability refers to the likelihood of a specific situation occurring, ranging from “rare” – where it is virtually impossible to happen to “almost certain” – where the event is very probable and/or took place in the previous year.

Impact of the risk is measured in potential losses for Allegro Group, taking into consideration among others the following areas: financial impact, reputation, business continuity, legal requirements / regulations. Impact levels are categorized from “minor” – no or insignificant impact to “very high” – critical impact on the Group’s operations or results.

Risk level	Risk management responses
 Very high	Risks classified at this level may have a very high or high impact on the achievement of the Group's business objectives. At the same time the probability of these risks is very likely or almost certain. These risks are considered for internal audit annual planning purposes in order to obtain independent assurance that the risk was accurately assessed by risk owners and internal controls are performed as expected. Risks assigned to this group obligatorily have a business continuity plan and a mitigation plan.
 High	Risks assigned to this group are considered for internal audit annual planning purposes in order to obtain independent assurance that the risk was accurately assessed by risk owners and internal controls are performed as expected. Risks assigned to this group obligatorily have a business continuity plan and a mitigation plan.
 Medium	Risks in this group are subject to cost-effective controls and are regularly monitored to ensure they do not escalate. The Group prepares backup plans in case these risks materialize.
 Low	For risks in this group, minimal, low-cost preventive measures have been implemented (where deemed necessary) or the risk has been acknowledged without taking action. The Group keeps track of these risks to identify any changes in their conditions.

Any risk with the impact rated as very high is defined as at least high risk by default. A risk mitigation plan must be developed for that risk, should it materialise.

The following table presents how the Group addresses the risk management responses in conjunction with various risk scoring results.

OVERSIGHT AND ASSESSMENT OF RISK MANAGEMENT, COMPLIANCE AND INTERNAL CONTROLS SYSTEMS AND THE INTERNAL AUDIT FUNCTION

The Board of Directors monitors through the Audit Committee and periodically assesses the internal systems: risk management, compliance and internal controls and the Internal Audit function.

The assessment is performed based on:

- Dedicated deep dive sessions for each of the topics, held in the Audit Committee meetings over the course of the year;
- Internal Audit’s annual assessment (according to the 3 year audit plan approved by the Audit Committee) of design and implementation of a set of internal controls identified as key for preparation of financial statements (i.e. internal controls over financial reporting);
- Review of reports from Internal Audit’s assurance engagements, performed as per the risk-based annual plan, covering (but not limited to) selected reporting and operational controls from risk management;
- Aggregated results of Internal Audit’s past engagements and the related remediations, reported regularly in the Audit Committee meetings by the Head of Group Internal Audit;
- Regular reporting on incidents, controls’ failures or compliance challenges provided quarterly in the Audit Committee meetings by the Chief Security Officer who supervises the risk management and compliance;

- Discussions with the Risk Manager and the Head of Group Internal Audit on emerging risks and the risks considered in the annual audit plan, and their representation in the risk management process, undertaken at least annually in the course of the annual audit plan approval;
- Monthly status meetings between the Chairperson of the Audit Committee and the Head of Group Internal Audit, discussing the status of audit plan execution and the encountered challenges;
- Review of the results of self-assessments presented by Internal Audit;
- Review of the report on the external validation of the internal audit self-assessment, confirming both the self-assessment and the compliance of the Internal Audit function with the International Standards for Internal Auditing.

Following these reviews, the Board concluded that the Company’s systems of risk management, compliance and internal controls as well as the Internal Audit function were appropriate in the current context of the Group. In particular, the Board agrees with the management’s representation that the internal control environment allows detection and prevention of fraud and errors that could lead to material misstatements in the financial statements.

2.

Risk Factors

The risk factors presented in this chapter are of key importance, i.e. those that the Group believes could have a material adverse effect on its performance and the execution of its key strategies.

These are the risks specific to the Group identified in the risks mapping process. However, other factors, currently classified by the Group as medium or low, that are not described in more detail below, could also adversely affect Group performance and so the risks set out should not be considered to be a complete set of all potential risks and uncertainties the Group may face. Nevertheless, the latter are managed in accordance with the Group's risk management policy.

The mapping below classifies only the high and very high risks according to their potential impact on achievement of the Group's objectives and probability of occurrence and therefore reflects the Group's exposure, after taking into account the control measures implemented. The Risk Committee was involved in drawing up this matrix.

RISK MATRIX					
PROBABILITY	Almost certain		• Trust & safety		• Competitive environment
	Very likely				• Unstable legal system • Non-compliance with existing law and regulations • Problems with suppliers (excluding logistic, payments)
	Probable			• Project & product risk • Natural disaster • Problems with suppliers – Logistics	• Personnel related risks • Economic environment
	Unlikely				• Sub-optimal business decisions
	Rare				• Financial liquidity
		Minor	Small	Medium	High
IMPACT					
					Very high

All risks, including medium and low, are monitored and regularly (depending on the severity) reviewed. The below table presents a summary of high and very high risks, their definition, context, assessment

of the change compared to the previous year and risk level. The principal risks are not listed in order of significance and each of the risks should be considered independently.

Risks related to the Group's business and industry		
Risk name	Risk description	
Strategic risk link	Competitive environment	
Change in the risk level	Risk increase	
High competitiveness of the retail market and the e-commerce segment.	The retail industry in Poland and CE-5 region (five countries in Central Europe where Mall Group operates: Croatia, Czech Republic, Hungary, Slovakia and Slovenia) including the e-commerce segment, is fragmented and characterised by intense competition. The Group competes with a diverse group of offline and omnichannel retail companies. The table below presents selected largest local and international retail and e-commerce competitors in Group's key markets:	
	Key competitors in Poland	Key competitors in CE-5
	Local competitors:	
	Biedronka	Alza
	CCC (including Modivo)	Datart
	Empik	Emag
	Erli	Heureka
	LPP	Rohlik
	Media Expert	
	Oponeo	
	RTV Euro AGD	
	SMYK	
	International competitors:	
	Alibaba	Alibaba
	Amazon	Amazon
	Castorama	eBay
	Decathlon	Kaufland
	Douglas	Media Markt
	eBay	Modivo
	Ikea	Shein
	Lidl	Tesco
	Media Markt	Temu
	Rossmann	Vinted
	Shein	Zalando
	Shopee (exited Poland in Q1 2023)	
	Temu	
	Vinted	
	Zalando	
	Competition continues to intensify, including the development of new business models and the entry of new and well-funded competitors. Such intensification may lead to a material change in the Group's financial performance in terms of growth, margins and cash flows in the future.	

Risks related to the Group's business and industry	
Risk name	Risk description
High competitiveness of the retail market and the e-commerce segment.	In particular, intensifying competition may cause the Group to respond to new market entrants competing for share of voice on paid internet advertising channels by increasing Group's overall marketing spend. Currently, this applies in particular to the following international e-commerce players:
	• Amazon: since its entry to Poland, it continued to develop its business, adding new products to its portfolio and advertising Amazon Prime Video streaming service and content. Moreover, the network of fulfillment centres operated by Amazon in Poland, made it possible to deliver a significant part of Amazon selection with next day or two day service. As a result of these developments, the Group is expecting that competition with Amazon may gradually intensify.
	• Temu: this international business of Chinese platform Pinduoduo, launched its operations in Poland in June 2023. Recent quarters have seen rapid emergence of Chinese cross-border e-commerce platforms that sell products globally directly from China under direct-sale or "fully managed model". The fully managed model allows Temu to source and offer large quantities of products across many categories, similar to the third party marketplace platform, and set deeply discounted prices through integrating the supply chain and securing bargaining power against suppliers / service providers. Temu invests heavily in marketing, which translates into growing traffic. Moreover, the recently announced change in Temu's sourcing strategy, inviting merchants from other parts of the world (i.e. local merchants), may increase relevancy of their selection and reduce delivery times, which may cause additional risk to local e-commerce players if such a move is more successful than it has been for other recent entrants to the Polish market.
	• Shein: a Chinese fast-fashion retailer, the successful e-commerce segment expansion of which may impact Allegro via a drop of revenues in the fashion and apparel vertical.
	The Group may not exclude that other international competitors may decide to enter the e-commerce segment in Poland and/or CE-5 countries in the future. If international cross-border e-commerce platforms or other competitors gain significant share in the e-commerce segment in Poland or CE-5 countries, this could have a material adverse effect on Group's business, financial condition and results of operations. It is not possible for the Group to accurately estimate the potential impact of intensified competition from other e-commerce players on its financial and operational performance.
	The Group's competitors may enter into business combinations or alliances and large and well-established companies in other geographies or market segments may seek to expand their presence and investment in Poland or CE-5 markets. The competitors may secure better terms from vendors, adopt more aggressive pricing, and devote more resources to technology, infrastructure, delivery, logistics, fulfillment, and marketing than the Group. The multinational competitors may step up efforts to attract the Group's merchant base to list products on their platforms.
	In addition, new and enhanced technologies, including search, web and infrastructure computing services, digital content, and electronic devices continue to increase the Group's competition.
	As a result of any of the above factors, or a combination thereof, the Group's product and service offerings may not be successful, the Group may fail to gain or may lose business, and the Group may be required to increase the Group's spending or lower its margins, any of which could materially reduce the Group's profits.
	The Group believes that its ability to compete effectively will depend on factors both within and beyond the Group's control, including but not limited to:
	• the Group's reputation and brand and its local scale;
	• the size and composition of the Group's buyer base and the Group's ability to increase purchase frequency;
	• the composition of the Group's merchant base, and its impact on the selection and price of products;
	• the Group's ability to offer a convenient, efficient, and reliable e-commerce experience for the Group's consumers and merchants, and to adapt to evolving consumer preferences;
	• the Group's platform is perception as an attractive distribution channel for the Group's merchants, including the perceived competitiveness of the Group's current or future commission rates;

Risks related to the Group's business and industry	
Risk name	Risk description
High competitiveness of the retail market and the e-commerce segment.	- the extent to which merchants may choose to prioritise development of its own proprietary on-line store (e-shop) over use of Allegro as a distribution channel; - efficient and cost-effective advertising and marketing efforts to acquire new consumers and merchants; - the development and management of new and existing technologies in a timely manner; - whether efficiency, reliability and satisfying service quality of the Group's locker based delivery and fulfillment operations, including distribution, payment, and customer service; - the legal framework on e-commerce and related legislation governing liability, obligations, and supervisory oversight of the Group and the extent to which such legal frameworks create competitive advantage to competitors with different business models; - level playing field among competitors and enforcement of binding laws towards all market participants, including those without a physical presence in the EU; - the Group's ability to offer convenient payment methods for every consumer and merchant at reasonable cost.
	Any failure to properly address these factors and to successfully compete against current or future competitors could negatively affect the Group's ability to attract and retain consumers and merchants and necessitate the introduction of lower pricing for the Group's services, which could, in turn, have a material adverse effect on the Group's business, financial condition, and results of operations. The Group believes that the development strategy that it has pursued over the past several years has prepared it well to meet intensified competition. Allegro remains a primary consumer touchpoint when buying an item online in Poland, offering a wide and continuously increasing selection, offered at very attractive prices, with seamless delivery experience and competitive marketplace take rates. This, combined with comparatively long lead times for internationally sourced selection and the familiarity of Polish consumers with the user experience and customer service provided by Allegro's marketplace is expected to provide meaningful protection against foreign competitors building a significant e-commerce segment share in Poland. Competition in the e-commerce segment in CE-5 countries remains relatively scattered, with no very large incumbent positions. Following the Mall acquisition in 2022 and launch of the allegro.cz, allegro.sk and allegro.hu marketplaces in subsequent years, the Group has expanded its operations beyond Poland, with an ambition to build a leading international e-commerce leader in the CE-5 region.
The Group's current business model is based on e-commerce platforms for commercial transactions in which almost all activity depends on the platforms' merchants and consumers and is therefore largely outside of the Group's control.	The Group's current business model is mainly dependent on merchants and consumers listing and purchasing items and services on its platform. Except for the Group's comparatively small first-party retail business in Poland and the Mall Group's more substantial 1P retail operations, the Group has limited influence over which items will be listed, and does not make pricing or other decisions relating to the products bought and sold on its platform. The Group's future revenue depends on continued demand for the types of goods that merchants offer on its marketplace. The popularity of certain categories of items, such as computer and electronic products, cellular telephones, toys, apparel and sporting goods, among consumers may vary over time due to perceived availability, subjective value, and trends of consumers and society in general. A decline in the demand for certain items sold through the Group's e-commerce marketplace without an increase in demand for different items could reduce the overall volume of transactions on the Group's platforms, resulting in reduced revenue. Certain of the principal drivers of the Group's business are largely outside of its control, and the Group depends on the continued preference for the Group's online services by millions of individual users. The Group seeks to create a marketplace where products are offered at competitive prices. The Group does not control the pricing strategies of its merchants, however, which could affect the Group's revenue and its ability to effectively compete on price with the other distribution channels used by the Group's merchants, including other online retailers and brick-and-mortar stores. Manufacturers may attempt to enforce minimum resale price maintenance arrangements to prevent distributors from selling on the Group's websites or at prices that would make its site attractive relative to other alternatives. Retailers and brands may determine that they can more competitively price their products through other distribution channels and may choose such other channels instead of listing products on the Group's e-commerce marketplace. If any of the foregoing were to occur, the Group's business, results of operations and financial conditions could be materially adversely affected. Moreover, the marketplace business model is becoming increasingly regulated, with further obligations to ensure merchants' and goods' compliance with existing laws. This may have an impact on merchants' NPS, availability of the offers on markets where the Group operates as well as on international sellers using Allegro marketplace.

Risks related to the Group's business and industry	
Risk name	Risk description
Strategic risk link	Problems with suppliers (excluding logistic, payments)
Change in the risk level	Risk increase
Potential adverse effects of search engine algorithm changes and self-preferencing practices.	Visibility in the online search engines is crucial for Ceneo and its price comparison website. Therefore actions of online search engines' operators, depending on the severity of such actions, that limit Ceneo's visibility or favor their own price comparison tools, can significantly reduce Ceneo's traffic and revenue. Changes to the algorithms of the most popular online search engine and results displays could have reduced Ceneo's visibility, resembling practices previously deemed self-preferencing by the European Commission, which was finally and irrevocably confirmed by the judgment of the Court of Justice of the European Union of 10.09.2024 (C-48/22 P).
The Group's dependence on third-party providers for its marketing, cloud, office infrastructure, software, social networking, messaging services for communicating with its users and other processes, as well as integration service providers for connecting many merchants to the marketplace.	The Group's operations depend on third-party providers for essential software, including business software licensed from Google. Any disruption in their availability could significantly impact the Group's business. The Group also relies on social networking and messaging services, including telephone and chat services, to communicate with its users, where changes in terms or declining usage could weaken promotional efforts. Increasing reliance on cloud based services for analytics and data storage makes the Group vulnerable to services interruption that could degrade the quality of the user experience on the platforms or increase in costs due to the need for capital investment to reduce reliance on cloud based services. Many merchants use the intermediary services of marketplace integrators to list their offers and products on Allegro. Any disruptions, changes in terms and conditions, or strategic shifts favouring competitors could hinder their ability to sell on the Group's marketplaces. Interruptions in software availability, communication channels or integration services, could negatively impact the Group's reputation and have a material adverse effect on the Group's business, financial condition and results of operations.
Strategic risk link	Personnel related risks
Change in the risk level	No material change
The loss of or a failure to hire and retain highly skilled senior managers and other key personnel or a failure to maintain good relationships with the Group's workforce.	The Group's future success depends, in part, on the performance of its senior management team, which possesses significant experience in the Group's industry. The loss of any members of senior management could harm the Group's business. In addition, the competence and commitment of the Group's employees are important factors for the Group's successful development and management of opportunities and risks. Therefore, the Group's success also depends on its ability to attract, train, motivate and retain highly qualified individuals, while building its corporate culture. A lack of qualified and motivated personnel could impair the Group's development and growth or harm its reputation. The loss of qualified personnel, high employee turnover, or persistent difficulties in filling job vacancies with suitable applicants could have a material adverse effect on the Group's ability to compete effectively in its business and considerable expertise could be lost by the Group or access thereto gained by the Group's competitors.
Strategic risk link	Economic environment
Change in the risk level	No material change
Difficulties in growth of e-commerce and the corresponding shift from offline to online shopping.	The Group depends on the continued development and growth of the Polish and CE-5 retail market, including the online retail and the e-commerce segment. Based on projections from Euromonitor as of February 2025, the Polish retail market is projected to grow at a CAGR of 6.2% from an estimated PLN 955.7 billion in 2024 to PLN 1,214.3 billion in 2028 and online retail in Poland, which remains underpenetrated relative to many other countries, is projected to grow at a CAGR of 9.0% from PLN 150.0 billion in 2024 to PLN 211.5 billion in 2028. While the Czech retail market is slightly more penetrated in terms of share of e-commerce segment (at 17.3 % as of 2024, according to Euromonitor), Czech online retail is projected to grow at a CAGR of 8.4% from CZK 242.6 billion in 2024 to CZK 334.8 billion in 2028. In other Mall footprint countries (Slovakia, Hungary, Slovenia and Croatia), where retail market remains significantly less penetrated than Poland (combined share of e-commerce of 7.8% in 2024, according to Euromonitor), online retail is projected to grow at a CAGR of 9.7% between 2024-2028, thus offering further future growth potential.

Risks related to the Group's business and industry	
Risk name	Risk description
Difficulties in growth of e-commerce and the corresponding shift from offline to online shopping.	There is no guarantee, however, that the retail market will grow at projected rates at the growth rates that the Group believes may occur, or at all. Loss of share, slowing growth, stagnation, or contraction in the market and segment could have a material adverse effect on the Group's business, financial condition, and results of operations.
Deterioration in economic conditions or a worsening global economy affecting the users of the Group's platforms (i.e. merchants and buyers).	The economic situation in Poland and CE-5, where the Group conducts its operations, depends on a number of factors, including national governments' attempts to influence the economy, such as setting levels of taxation, formulating government budgets, redistribution of income, regulation, influencing the money supply, interest rates, exchange rates and the labour market. The demographic situation, macroeconomic conditions in Europe and globally, and inflow of funds from the European Union also affect the economic situation in Poland and CE-5 counties.
	Other negative macroeconomic developments, such as higher inflation caused by rising commodity, fuel and power prices, potential issues with global supply chain or other factors, resulting in rising interest rates, may significantly adversely affect the financial conditions of the Group's merchants and consumers. Any macroeconomic recession, prolonged cost of living crisis, higher unemployment, reduced disposable income and lower consumption, fluctuations in asset values and foreign exchange rates, as well as emergence of other negative economic developments may have an adverse impact on consumer confidence and discretionary consumer spending, including on sales on the Group's e-commerce marketplace, from which the Group generates the majority of its revenue. Negative macroeconomic developments may also cause increased risk of merchants' bankruptcies, resulting in lower marketplace revenue or increased cost of the Allegro Protect Program, which may have a material adverse effect on the business, financial condition and results of operations of the Group.
	The Group's business, as well as the successful implementation of its strategy, is highly dependent on the financial condition of its merchants and consumers and their continued and increased use of the Group's e-commerce marketplace and other services. The financial condition of households in Poland and CE-5, including the Group's consumers, is highly correlated with the unemployment rate and increases in real wages. An increase in the unemployment rate and/or a fall in real wages in Poland and/or CE-5, could reduce consumer spending and lead to reduced use of the Group's e-commerce marketplace and other services. Any deterioration of economic conditions in Poland and CE-5 may have a material adverse effect on the business, financial condition and results of operations of the Group.
Geopolitical and economic risks resulting from the Russia-Ukraine conflict and other current or potential military conflicts in the world.	The ongoing war between Ukraine and Russia presents potential risks to the Group's operations, despite minimal current direct exposure.
	Indirect impacts, such as economic instability in Poland and the five other Central European countries where the Group currently operates, taxes rising due to refugee support and inflation driven by sanctions on Russia, could have a negative impact on the Group's financial performance, including GMV growth.
	Escalation of the conflict, including potential involvement of NATO or spreading to Polish or CE-5 territories, could severely disrupt supply chains, damage the Group's physical property or reduce workforce availability. These factors could materially harm the Group's business, financial condition and results of operations. Moreover any potential new military conflict or escalation of existing conflicts could further destabilize the economy and negatively impact the Group's overall performance.
Strategic risk link	Sub-optimal business decisions
Change in the risk level	No material change
Inability to maintain and continually improve user experiences with the Group's platforms, either in Poland or in the CE-5 markets.	The Group believes that its success in the retail market depends upon providing buyers with a wide selection of products from a variety of merchants at competitive prices. If: - the Group does not attract merchants to offer the products and brands in demand by the Group's buyers, - the Group is unable to present such products on its website in an effective way and at competitive prices, or - buyers and merchants regard the Group's delivery, returns and/or payment processes as inconvenient,

Risks related to the Group's business and industry	
Risk name	Risk description
Inability to maintain and continually improve user experiences with the Group's platforms, either in Poland or in the CE-5 markets.	the Group may be unable to attract new buyers and merchants, may lose existing buyers and merchants or may be faced with reduced volumes of purchases on its websites. If the Group or any of the third-party users fail to provide accurate information on the Group's platforms, such as, product information on the Group's e-commerce marketplace or price comparison information on Ceneo.pl, it may lose buyers confidence and may receive a higher number of complaints and its business and operations may be materially adversely affected. Any of the foregoing would have a material adverse effect on the Group's business, financial condition and results of operations.
The Group's inability to successfully implement its strategic priority objectives as reflected in the Group's multi-year strategy.	Core marketplace operations Staying strong in Poland, where Allegro has been operating for over two decades, is one of the key priorities of the Group's Management. There are multiple risk factors described earlier (Risks related to the Group's business and industry) that may impact Group's position in Poland, which could, in turn, have a material adverse effect on the Group's business, financial condition, and results of operations. As the Group generates all of its free cash flow from its Polish operations, any material deterioration in performance could lead to a material deterioration of leverage metrics and reduce or limit funds available for investment in growth initiatives and realization of strategic priorities.
	Customer loyalty Projected financial performance relies on continued SMART! program growth. Adoption rates directly impact transaction value growth and profit margins, as faster adoption means higher transaction value but lower margins, and slower adoption the opposite. Competition, like Amazon Prime, poses a risk of slower SMART! growth if consumers opt for competing programs. Efforts to enhance SMART! value to counteract the competition could negatively impact profitability. Effectively managing the anticipated growth and associated costs of the SMART! program pose a significant challenge, as failure to do so could materially and adversely affect the Group's business, financial condition, and results of operations.
	Fintech solutions development Allegro Pay's financial and operational success depends on effective credit risk management. Despite a good track record, there's no guarantee that current risk assessment processes, using external credit reports and internal risk models, will remain effective.
	Changes in consumer behavior, economic factors, competition, regulations and funding availability could all impact the accuracy of risk models, and the Group's ability to manage credit risk, potentially impacting profitability. Furthermore, Allegro Pay's growth may not translate into the anticipated increase in merchandise purchases and commission income. Securing competitive funding for consumer loans is also crucial for profitability.
	Agreements with Aion Bank and Santander Bank to purchase consumer loan receivables create a framework for potential disposals. However, if the parties fail to agree on pricing or if Allegro Pay doesn't generate sufficient qualifying receivables, actual sale values may be lower than anticipated. The Group may also face challenges securitizing or selling its loan book on favorable terms, potentially increasing indebtedness and impacting the continuation of consumer finance services. Over-reliance on specific funding partners could also hinder securing further financing for growth. Expanding into financial services exposes the Group to potential impacts from regulatory changes and increased regulatory scrutiny from Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów), the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), the General Inspector of Financial Information (Generalny Inspektor Informacji Finansowej) and the Personal Data Protection Office (Urząd Ochrony Danych Osobowych). The Group may seek to introduce further products and services in addition to the current Allegro Pay product in the future. Introducing new financial products, whether for consumers, merchants, or off-platform transactions, carries inherent risks. There's no assurance that new products will be successful, achieve desired returns, or effectively manage credit risk, which could significantly impact profitability. Furthermore Allegro Pay comes under KNF supervision, effective from January 1, 2024, which brings a new level of regulatory oversight. The Group can provide no assurance that regulations that KNF may choose to implement in the future will not have material impacts on the scope, cost or scale of Allegro Pay's operations relative to the Group's current plans.

Risks related to the Group's business and industry	
Risk name	Risk description
The Group's inability to successfully implement its strategic priority objectives as reflected in the Group's multi-year strategy.	Delivery network expansion Investments in proprietary lockers face significant risks in a competitive APM market. The increasing saturation of the market may lead to lower-than-anticipated locker utilization and hinder network expansion due to competition for prime locations. Failure to secure attractive locations, manage rollout effectively, acquire lockers at acceptable prices, integrate with third-party services, or deliver a superior next-day delivery experience could result in unsatisfactory returns. Furthermore, intellectual property disputes related to locker solutions are possible. While the goal is to balance delivery supplier choices and proprietary capabilities for competitive speed and cost, the optimal APM network size is uncertain. The expansion of delivery services, including One Kurier, also presents challenges. Competitive pressure may lower prices from existing APM suppliers, potentially preventing the proprietary network from achieving standalone profitability, although SMART program delivery costs may improve. Conversely, accelerating rollout to achieve profitability carries the risks of increased capital investment, near-term losses, and uncertain long-term benefits. One Kurier expansion, intended to enhance same-day delivery capabilities, leads to increased operating costs and capital investment. There is no assurance that these investments will generate profit or achieve sufficient scale for cost reduction and reasonable return on investment. Finally, the launch of Allegro Delivery, a partnership logistics solution, while offering potential benefits, introduces additional operational complexity. Managing a network of integrated providers and handling customer service/liability for third-party deliveries could strain resources and have an impact on Allegro's brand and reputation. Moreover, consumers ultimately have to select a specific locker during the checkout process for it to be utilised. We can provide no assurance that consumers will prefer lockers of Allegro Delivery partner networks over those of other delivery partners working under the old agency model, even if the Allegro Delivery lockers are closer to them. This could result in Allegro Delivery lockers being underutilized and have a material negative effect on the Group's cost of delivery.
	International expansion & Mall turnaround The Mall Group acquisition and subsequent international expansion into CE-5 countries, while a key strategic priority, presents substantial risks. Mall Group's declining revenue in a challenging economic climate has hindered margin improvement efforts. Successfully navigating these international markets is complicated by Allegro's lack of experience in these geographies and differing commercial/social norms. Expansion in the Czech Republic, Slovakia, and Hungary, where Mall Group operates, involves significant business, regulatory, and legal risks, including economic, political, and regulatory changes; difficulties managing geographically dispersed operations; changing regulations; currency fluctuations; contract enforcement challenges; ensuring compliance; and cultural/language barriers. There's no guarantee of accurately predicting demand in new markets and new brand development or existing brand repurpose may be required. Expansion into new geographies is also likely to involve significant investment in infrastructure and/or marketing to acquire consumers and traffic, which may not deliver the anticipated returns for the Group. Failure to generate satisfactory returns from international expansion could materially and adversely affect the Group's business, financial condition, and results of operations (see also Risks related to the Group's international expansion).
	There may be acquisitions in the future Opportunistic acquisitions, both domestically and internationally, carry numerous risks. These include integration challenges with acquired technologies, operations, contracts, and personnel; difficulties supporting acquired customers and suppliers; resource diversion; failure to realize anticipated synergies; unidentified liabilities or shortcomings in the target company (including IP, regulatory, accounting, or employee/consumer issues); risks of entering new markets; potential loss of key employees, customers, and suppliers; insufficient revenue generation to offset acquisition costs; funding-related issues (additional costs or equity dilution); and potential write-offs or impairments. Failure to properly assess targets, manage costs, integrate acquisitions, or anticipate liabilities could materially and adversely affect the Group's business, financial condition, and results of operations.
	There may be future changes to the Group's growth strategy Pursuing new ventures, products, international expansion, or acquisitions carries the risk of being unsuccessful or non-cost-effective. Negative user reception could damage reputation and brand. Expansion requires significant expenses and resource diversion, potentially harming the Group's business, financial condition, and results of operations. Ongoing key investments may not yield expected benefits or could exceed projected costs, all of which could have a material adverse effect.

Risks related to the Group's business and industry	
Risk name	Risk description
The Group may be unable to manage its anticipated growth effectively.	The rapid growth of the Group's business to date has placed, and any future growth is expected to continue to place, significant demands on the Group's management and its operational and financial infrastructure. As the Group seeks to grow its business, it will need to continue to improve and upgrade its systems and infrastructure to deal with the greater scale and complexity of operations (including, for example, the additional complexities from an increased international presence as a result of geographic expansion or use of new proprietary locker network and delivery solutions will increase the scope, size and complexity of its IT and compliance systems). Such expansion will require the Group to commit substantial management, operational and other resources in advance of any increase in the size of the business, with no assurance that its revenue and profit will increase accordingly. Continued growth could in particular strain the Group's ability to maintain reliable service levels for the Group's merchants and buyers; to attract, train, motivate and retain highly skilled employees; and to continue to develop and to enhance the Group's operational, financial and management controls. Any failure to effectively manage the increasing size and complexity of the Group's business resulting from future growth could have a material adverse effect on its business, financial condition and results of operations.
Investment time horizons of the Significant Shareholders, as private funds, may be shorter than those of many free float investors.	Significant Shareholders, due to their ownership of shares and Board of Directors' representation, can influence the Company's legal and capital structure, shareholders' decisions and major operational matters. Conflicts between senior management and these Shareholders could adversely affect the Group, its operations and financial standing.
Profitability, inventory and regulatory risks related to the expansion of the Group's 1P retail business.	The Group's 1P retail business of the Polish Operations has lower profitability than the Group's 3P (marketplace) business. Increased competition from the Group's 1P retail business as a percentage of its overall business, may lead to reduced profitability, as well as may lead merchants to reduce their active offers on the Group's platform due to concerns about direct competition. The Group faces inventory risk from factors such as seasonality, quick changes in product cycles and pricing, defective products, shifting buyers demandand spending patterns or productspoilage, which could result in overstocking, understocking and financial and operating results. Additionally, efforts to improve Mall Group's 1P performance since the Mall Group acquisition in April 2022, have been slower than originally assumed, due to decline in retail demand, risking further negative impacts on the Group's business, financial condition and results of operations. Growth in the 1P business increases exposure to regulatory risks, including consumer protection, product safety, fair treatment of merchants, sustainability or anticompetitive business practices. Any of these risks, if they materialise, could have a material adverse effect on the Group's business, result of operations and financial condition.
Strategic risk link	Trust & safety
Change in the risk level	No material change
Effects of fraudulent activity by the Group's e-commerce platforms' users.	The Group faces risk of fraudulent activity on its platforms by their users, including selling counterfeit goods, failing to deliver goods or misusing payment information on compromised accounts. The Group's measures to detect and prevent fraudulent activities, such as removing counterfeit products listings, monitoring transactions and implementing anti-bot mechanisms, may not always be sufficient. As the Group's e-commerce marketplace sales grow, the cost of remediating fraudulent activity may materially increase and negatively affect operating results. In addition, fraud or other illegal activities of Group's platforms' users may harm the Group's reputation, expose it to legal liabilities and impact financial performance.

Risks related to the Group's business and industry	
Risk name	Risk description
Strategic risk link	Natural disaster
Change in the risk level	No material change
The Group is subject to various risks which may not be adequately insured.	The Group is exposed to external risks beyond its control, such as accidents, vandalism, natural hazards, acts of terrorism, fires, power outages or flooding, which could interrupt the Group's business operations, cause injuries or damage to third-party property or the environment. Reliance on third-party data centres increases vulnerability to physical damage or cyberattacks, potentially leading to significant uninsured losses. Direct sales operations involve risks like fire, warehouse accidents, equipment damage, property damage or personal injury or death, which could result in costly legal claims and harm the Group's reputation. Although the Group holds insurance, it may not fully cover all damages. In addition, the insolvency of insurers or uninsurable risks could lead to substantial financial losses. All these factors may have a negative impact on the Group's financial and operating results.
Strategic risk link	Project and product risk
Change in the risk level	No material change
Failure to successfully adapt to the rapid evolution in the user behaviour in response to technological developments.	The e-commerce segment is characterised by rapid technological development, and new advances in technology can increase competitive pressure. The Group's success depends on its ability to continually improve its technological platform in order to remain competitive. For example, artificial intelligence is transforming aspects of e-commerce ranging from optimising search results and pricing to providing customer support and coordinating delivery logistics. Given the new entrants to e-commerce (eg. Asian players, with state-of-the-art tech architecture) and global leaders (with high R&D budgets), who may be better positioned to leverage new technologies (such as artificial intelligence, AI) or sales methods (such as gamification) faster, the Group may be unable to continue to innovate at its historical pace or at the level of its competitors. Any failure to adopt and apply new technological advances in a timely manner could decrease the Group's attractiveness to buyers and merchants and therefore limit the Group's growth. Any such failure could have a material adverse effect on the Group's business, financial condition and results of operations.
Uncontrolled growth in goods returns by buyers on the Group's platforms.	The Group's 14-day return policy, aligned with Polish consumer regulations, may not meet evolving buyers expectations or compete with more flexible return policies offered by the Group's competitors. An increase in return rates, driven by changing behavior or abuse of the policy, could raise costs and reduce marketplace and retail revenue. Dissatisfied buyers may switch to competitors with extended return periods, impacting customer retention. These factors could materially affect the Group's business, financial condition and results of operations.
Strategic risk link	Problems with suppliers – Logistics
Change in the risk level	No material change
Inability or refusal of third-party service providers for the distribution of merchants' products to buyers to deliver or store for collection products sold through the Group's e-commerce marketplace in a safe and timely manner.	For distribution of the merchandise that the Group's buyers purchase online, the Group's e-commerce marketplace depends on the services of a number of third-party logistics providers. The inability or refusal of these providers to deliver the products in a safe and timely manner could potentially harm the reputation of the Group's e-commerce marketplace and have an adverse effect on the Group's business. The Group has long-term agreements with a number of third-party logistics providers. These service level agreements have the aim of securing package volumes needed for the Group's operations at required service quality; however, there can be no assurance that going forward they will be renewed on acceptable terms. Although the Group provides large volumes and is therefore attractive to third-party service providers, there are a limited number of third-party service providers who can provide services to the Group at the necessary scale. Any deterioration in the financial condition of any third-party service provider, or any deterioration in the Group's relationships with third-party service providers, could have an adverse impact on the quality of the Group's logistics processes and could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to the Group's business and industry	
Risk name	Risk description
Changes in shipping terms or costs or service quality of the third-party service providers for the distribution of merchants' products to buyers.	For distribution of the merchandise that the Group's buyers purchase online, the Group's e-commerce marketplace depends on the services of a number of third-party logistics providers. Changes in shipping terms and costs, for example due to higher fuel costs, of these providers could potentially have an adverse effect on the Group's business. The Group has long-term agreements with a number of third-party logistics providers. These service level agreements have the aim of securing package volumes needed for the Group's operations at predictable costs; however, there can be no assurance that going forward they will be renewed on acceptable terms. Although the Group provides large volumes and is therefore attractive to third-party service providers, there are a limited number of third-party service providers who can provide services to the Group at the necessary scale. Any deterioration in the financial condition of any third-party service provider, or any deterioration in the Group's relationships with third-party service providers, could have an adverse impact on the Group's distribution costs and could have a material adverse effect on the Group's business, financial condition and results of operations
Strategic risk link	Financial liquidity
Change in the risk level	No material change
Challenges related to Group's debt repayment or refinancing.	The Group's ability to meet its debt obligations, including those under the Senior Facilities Agreement ("SFA"), depends on the Group's future performance and cash generation, which are influenced mainly by factors beyond the Group's control. All the Group's gross debt, amounting to maturities in October 2027, must be repaid or, in the absence of sufficient financial liquidity, refinanced. Failure to refinance or restructure the debt on acceptable terms or at all, may force the Group to sell assets or raise additional debt or equity financing, potentially under unfavourable conditions. Restrictions under the SFA may limit the Group's ability to address liquidity challenges, and insufficient assets to repay the debt may lead to severe financial repercussions.
Risks related to the Group's international expansion	
Risk name	Risk description
Strategic risk link	Personnel related risks
Change in the risk level	No material change
Talent retention risks affecting operational continuity and performance of the acquired entities.	The loss of key employees, especially senior management from the acquired entities, could disrupt business operations and delay strategic execution. This could negatively impact the Group's growth and financial results, especially in the competitive CE-5 markets.
Organisational and cultural integration risks across multi-country operations.	Difficulties in developing a unified corporate culture and efficient organisational structure across CE-5 countries could lead to communication issues and slower integration. This may result in increased management costs, operational inefficiencies and lower than assumed growth and profitability.
Strategic risk link	Economic environment
Change in the risk level	No material change
Currency risk for the consolidated results and dividend inflows of the Group.	The Group faces a foreign exchange risk due to revenues generated by the acquired entities from the Mall operating segment in currencies other than PLN, i.e. EUR, CZK and HUF. A strengthening of the PLN could negatively impact the Group's consolidated financial results and the value of future dividends expressed in PLN. Conversely, a weakening of the PLN increases the relative cost of funding the acquired entities compared to cash generated in the core Polish operating segment.

Risks related to the Group's international expansion	
Risk name	Risk description
Strategic risk link	Project & product risk
Change in the risk level	No material change
Operational and market risks associated with the development of Allegro's new international marketplaces.	The Group's strategy to roll-out Allegro marketplaces internationally in the CE-5 countries in which the Mall Group operates (Czech Republic, Hungary, Slovakia, Slovenia and Croatia) involves significant operational and market risks. The Group projects that over time the majority of GMV can be generated from Allegro's 3P marketplace model, with Mall Group gradually transforming to a lean merchant that sells in 1P mode as a seller on the 3P marketplaces. As at the end of 2024, the Group has already launched its 3P platform in the Czech Republic, in Slovakia and in Hungary. There are various risks associated with this transformation towards a 3P marketplace, including but not limited to: - technical difficulties that may delay the 3P marketplace launches or deteriorate the user experience provided to merchants or buyers, - fewer merchants than anticipated may be willing to sell cross-border, resulting in either limited product selection or a need for costly financial incentives to attract participation, - consumers in CE-5 markets may be reluctant to adopt the marketplace e-commerce model, or to shop from non-local merchants, resulting in lower than expected shopping frequency and customer acquisition, - fluctuations in exchange rates or fundamental changes in costs of doing business that may erode the Group's competitive pricing advantage, - competitive pressures from aggressive local e-commerce players, that may hinder the customer base growth and marketplace profitability, - delays in onboarding local merchants may widen product selection gaps and increase delivery times due to a greater reliance on cross-border transactions, - compliance challenges in managing cross-border transactions, including legal regulations and customer care, may lead to a poorer experience for buyers and merchants, leading to a negative impact on financial performance of the marketplace, - longer delivery times, higher operational complexity and increased delivery costs that could negatively impact customer satisfaction and reduce repeat purchases, - higher costs for local language adaptations and internet traffic in C-5 acquisition may strain profit margins, - Mall Group inability to succeed in transforming into a lean merchant that can source the right products and trade effectively on the Allegro marketplaces. This could lead to sustained losses and such losses may not be offset by 3P profits from higher engagement of consumers who shop with the Mall Group across the entire marketplace. If these risks materialize, they could significantly hinder the successful execution of the Group's strategy, negatively affecting its financial performance and market expansion goals.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Strategic risk link	Unstable legal system
Change in the risk level	No material change
Inconsistent EU laws across the countries in which the Group operates.	The Group faces increased compliance costs and legal uncertainty due to inconsistent, delayed and sometimes expanded (add-on local regulations that are not required by the EU legislation) implementations of EU legislation across all the jurisdictions in which it operates. This inconsistency makes it challenging to ensure a unified compliance to EU law across the various jurisdictions in which it operates. Additionally, stronger regulatory scrutiny from local authorities, such as the Polish OCCP, compared to more flexible and conciliatory approach in proceedings against global players, may negatively impact the Group's competitive position.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Potential legal and financial exposure due to ongoing legal disputes over the ownership of shares in eBilet sp. z o.o.	The Group is aware of certain pending legal disputes between individuals associated with Bola Investment 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"). eBilet Polska has been part of the Group since April 2019. eBilet sp. z o.o. is not, and has never been, part of the Group. 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 external legal advisor as of the date of this Report, the Group has no reason to believe that the outcome of the pending disputes known to the Group would have a material impact on the Group.
Regulatory and compliance risk due to evolving e-commerce, competition, data protection product compliance, security and consumer protection regulations.	The Group faces significant regulatory and compliance risks due to rapidly evolving e-commerce laws, competition, data protection, product compliance, security and consumer protection regulations. Ongoing and upcoming EU legal acts are expected to increase regulatory complexity, compliance costs and risk for both the e-commerce and broadly understood tech sectors. The Group cannot guarantee compliance with all current and future laws and regulations or their interpretation. Any actual or perceived non-compliance could harm the Group's reputation, loss of revenue and result in costly legal expenses and/or penalties. Adverse changes in laws or regulations applicable to the Group could cause the Group to incur substantial costs or require the Group to change its business practices and could compromise its ability to pursue its growth strategy effectively. Changes in data protection laws, such as the General Data Protection Regulation (EU) 2016/679 („GDPR”), impose stricter requirements on handling personal data and may increase compliance obligations and may be expensive. The Group works with independent and third-party suppliers, partners, dealers, service providers and call centres, and cannot eliminate the risk that such third parties could also experience system failures involving the storing or the transmission of proprietary information. Violation of data protection laws or regulations by the Group or one of the Group's partners or suppliers may result in civil liability, fines, reputational harm or temporary or definitive limitations (including a ban) on data processing and could have a material adverse effect on the Group's business, results of operations or financial condition. Stricter laws, regulations or developments on cookies and other methods of online tracking might result in the loss of or a substantial reduction in the Group's ability to use such practices to effectively market products, or might adversely affect the Group's ability to attract new merchants or consumers on cost-effective terms. The realisation of any of such risks, alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Unclear interpretation of laws and regulations and legal uncertainty in Luxembourg, Poland and other jurisdictions where the Group operates.	The key companies of the Group have been established and operate under complex and frequently changing legal frameworks in Luxembourg, Poland and the Czech Republic, covering areas such as securities, shareholders' rights, foreign investments, issues related to corporate operation and corporate governance, commerce, taxes and business activity. The Group performs in-depth, detailed legal and tax analysis before carrying out any reorganisations and transactions, and making innovative offerings. Moreover, whenever possible, the Group has obtained individual tax rulings confirming the correctness of the tax treatment to be adopted or actually adopted in day-to-day tax settlements. Nevertheless, the tax authorities could still attempt to challenge what subsequently occurs (or has occurred) as not being in compliance with the facts described by the Group for the purpose of its tax rulings and, therefore, challenge the tax protection which might result from such rulings. There is also a risk that the individual tax rulings already obtained and applied by the Group will be changed or deprived of their protective power, which could lead to tax exposure for the Group. Moreover, with respect to any cross-border business of the Group, international agreements, including double tax treaties, to which Poland / CE-5 countries are a party also have an effect on the Group's business. Different interpretations of the double tax treaties by the tax authorities, as well as any changes to these treaties, may have a material adverse effect on the Group's business, financial standing or results. Last but not least it should be noted that in July 2016, the General Anti-Avoidance Rule („GAAR“) entered into force in Poland, which, to a certain extent, may be applied retroactively. Therefore, since July 2016 any reference to the Polish tax regulations, including for the purpose of this Report, includes the GAAR. Inconsistent interpretation of laws, especially in Luxembourg and Poland, create uncertainty and increase the risk of legal disputes or regulatory challenges. Moreover, in recent years, the Polish government has proposed or implemented a number of changes to the judicial system. Some of them raised concerns about judicial independence and the rule of law, potentially leading to delays or unpredictability in legal proceedings. This legal instability may result in fines or penalties or could require the Group to modify its practices, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.
	The Group's success heavily depends on protecting its intellectual property (IP), including user data, copyrights, trade secrets, patents, proprietary technology and trademarks. The Group might not be able to obtain effective intellectual property protection in all operating countries, due to varying regulations, legal uncertainties and the risk of rights being challenged or invalidated. In addition, the Group faces risks from third parties infringing on its trademarks (including Allegro, Ceneo and Mall), internet domain names (containing “Allegro”, “Ceneo” and other operating business names for the Group's websites) and other proprietary rights. If the Group does not have or cannot obtain or maintain on reasonable terms the ability to use its trademarks or a major private brand in a particular country, or to use or register its domain name, the Group could be forced either to incur significant additional expenses to market the Group's services within that country, including the development of a new brand and the creation of new promotional materials, or to elect not to offer its services in that country. Regulatory changes related to domain names and trademarks could also impact the Group's ability to protect its brand identity. The Group may incur significant costs to protect its intellectual property rights and may still be unable to prevent third-party infringements. Any litigation, whether or not it is resolved in the Group's favour, could result in significant expense to the Group and divert the focus of key Group's personnel from other activities. The realisation of any of such risks, alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Existing or potential digital services and other e-commerce taxes increasing burdens and regulatory requirements.	Tax authorities worldwide are currently reviewing the appropriate treatment of companies engaged in e-commerce and/or the digitalised economy. Therefore the Group faces the risk of new or increased digital services taxes (DSTs), sales taxes or other tax obligations. The OECD's Pillar I, which reallocates taxing rights, and Pillar II, which sets a framework for minimum taxation, initiatives aim to reform international taxation. Despite the initial expectations that the two-Pillar framework will eliminate the need for DSTs, it seems that this risk is still there as Pillar I implementation is delayed. As part of Pillar I negotiations, countries that have implemented a DST or a similar measure, suspended these taxes till the end of 2024. The biggest risk is that the OECD Member Countries do not agree on the final version of Pillar I or that not all Member Countries implement Pillar I into domestic law. This would lead to the reintroduction of the currently suspended DSTs, such as those of France and Italy, as well as the EU retabling its proposal for a digital levy. The timing for the introduction of Pillar I is unknown and depends on its acceptance by a critical mass of jurisdictions. As regards Pillar II it aims to ensure that income is taxed at an appropriate rate and has several complicated mechanisms to ensure this tax is paid – it is intended to impose on companies with a consolidated group turnover over EUR 750 million the obligation to pay top-up tax so that the effective tax rate of the group in a given jurisdiction is not lower than 15%. These rules are complex and will require substantial new forms of financial data. As at the date of this Report, having reviewed the enacted legislation together with its advisors and having assessed the so-called safe harbour rules, the Pillar II legislation might not have a material impact on the Group's overall effective tax rate. The EU VAT in Digital Age (ViDA) proposal and revision to the Union Customs Code (the UCC) could introduce significant regulatory changes, increasing compliance costs and complicating cross-border operations. Any future developments leading to the imposition of DSTs in Poland/CE-5 could have a material adverse effect on the Group's effective tax burdens and in certain cases may lead to double taxation of the Group's revenue and put the Group at a significant competitive disadvantage to its competitors.
	The legal systems, including Polish and CE-5 tax law, are marked by frequent changes, ambiguity and inconsistent judicial decisions, increasing the risk of misinterpretation and non-compliance. This applies in particular to the taxation of income from shares in a non-Polish company traded on the WSE, where Polish tax authorities may classify such income as taxable in Poland despite international double tax treaties. Furthermore, no assurance may be given that amendments to tax laws that are unfavourable to investors will not be introduced or that the tax authorities will not establish a different interpretation of tax provisions that is unfavourable to investors, which could have an adverse effect on effective tax burdens and the actual profit of investors from their investment in the Shares.
Tax uncertainties and adverse rulings impacting investors (i.e. owners of the Company's Shares).	
Unfavorable tax consequences due to the application of General Anti-Avoidance Rule (GAAR).	The Group's transactions may be reviewed under the General Anti-Avoidance Rules (GAAR), which allows the tax authorities to disregard a legally valid transaction, if, according to tax authorities, its primary aim or one of the primary aims was tax avoidance. GAAR applies not only to current transactions, but also – under certain conditions – to past transactions, carried out before its implementation. Any potential decisions regarding GAAR could be unfavourable to the Group and may have a material adverse effect on the Group's business, financial condition and operational results.
Implementation of new tax laws might be time-consuming, costly, difficult or hinder the Group's effectiveness.	The bill concerning the national e-invoicing system (Krajowy System e-Faktur or KSeF) was adopted, which is separate to envisaged works on e-invoicing at the EU level. The system will introduce obligatory e-invoicing through a government supplied framework. The system was supposed to be obligatory from 1 July 2024, but the implementation process has been stopped by the Ministry of Finance, following the change of the Polish Government in late 2023, and the new go live date is set to February 2026. Therefore, the final shape of the regulations is far from being agreed. The legislation is relevant for the Polish entities, in particular for Allegro as the company issues more than a hundred thousand invoices every month and the whole internal invoicing system will have to be adjusted to invoicing through a government-supplied system. As of 2025 the Ministry of Finance introduced an annual SAF-T reporting for corporate income tax (i.e. first report to be published in 2026 for the whole 2025). As there are some unclear aspects of this new reporting (i.e. it is unclear whether the taxpayers may keep tax codes at the level of an accounting entry or at the level of the whole account), it may occur that the Polish entities from the Group might need to expand their chart of accounts and introduce respective reporting changes.

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Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Potential non-compliance with postal service regulations in Poland and Czech Republic.	As a classified postal operator in Poland, Allegro must comply with industry regulations and ongoing oversight from the Office of Electronic Communications (Urząd Komunikacji Elektronicznej, “UKE”). Any non-compliance could result in penalties, affecting the Group’s business, financial condition and results of operations. In the Czech Republic, Allegro Retail a.s. faces the risk of being required to provide postal services beyond the B2B sector, potentially extending to B2C services and may be obliged to contribute to the costs of universal postal service. The regulatory environment for postal and courier services within the European Union is currently undergoing changes and certain proposed new EU-wide legislation relating to, among other things, cross-border, universal postal services and cybersecurity requirements is anticipated. Any such regulatory changes may have a direct impact on the Group’s operations or an indirect impact through the Group’s suppliers. Failure by the Group to manage these risks adequately or the occurrence of one or more of these risks could have a material adverse effect on the Group’s reputation, business, financial condition and results of operations.
Strategic risk link	Non-compliance with existing law and regulations
Change in the risk level	No material change
Risks related to Allegro and Ceneo becoming regulated companies under the Digital Services Act.	Following the adoption of the Digital Services Act in October 2022, as of February 2024, various companies in the Allegro Group will be bound by a set of new legal obligations regarding fighting illegal content (notice and action mechanism, trusted flaggers), transparency (incl. on recommendations and advertising, content moderation, automated decision making), sellers’ verification (traceability) and reporting obligations towards national competent authorities and the European Commission. Stricter enforcement tools, incl. financial sanctions up to the 6% annual turnover will apply. More importantly, a new supervisory authority dedicated to ensure compliance with the regulation, Digital Services Coordinator (DSC) will be established and will supervise the Group’s activities. Additionally, certain provisions of the DSA will be enforced by other authorities, including the Office of Competition and Consumer Protection. This marks an important milestone as Allegro Group companies will become regulated companies and will be inherently more exposed to regulatory scrutiny, legal uncertainty related to new laws’ interpretations and sanctions.
Exposure to significant financial penalties, reputational damage and operational disruptions due to alleged or actual breaches of competition or consumer protection laws.	The Group faces the risk of civil claims for damages in relation to the alleged or actual infringement of competition or consumer laws, initiated by stand-alone actions or following regulatory decisions by authorities such as the OCCP President or the European Commission. The recent EU legal framework has made it easier for private claimants to pursue such damages by reducing legal barriers. The growing number of claims in Poland, increases the Group’s potential liability. See section III.1.8 Legal Proceedings for further information on regulatory proceedings relating to Allegro. Regulatory claims and investigations, even if without grounds, can be costly, time-consuming and damage the Group’s reputation. Adverse rulings may lead to substantial fines (up to 10% of turnover), increased scrutiny and mandatory business practice changes. These factors could severely impact the Group’s business, financial condition and results of operations, as well as public image.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Unfavorable effects of the use of artificial intelligence.	Using the benefits of artificial intelligence can bring many benefits to the company (e.g. process automation) and provide customers and partners with a higher quality and overall better level of service. However, using AI can generate notable legal risks, which should be addressed throughout Group’s performance, i.a.: • Output generated by AI can breach third party’s intellectual property rights and the Group or its companies could be sued for damages – while other claims may also be possible, e.g. cease and desist the infringement, forced public apology etc. • Content created by artificial intelligence does not have ownership rights assigned to anyone, which may result in unforeseeable consequences at the moment and undermines the Group’s “ownership” of such content and the possibilities to legally control such content. • Output created by artificial intelligence may contain content that is inappropriate, unethical or violating the law, which may result in the Group suffering consequences, i.a. legal or PR related. • Output created by artificial intelligence may be incorrect and misleading and requires significant and meaningful human control and oversight, as inability to discover any issues, errors or controversy within AI output may lead i.a. to claims from users and partners, which may result in lawsuits and the need to pay compensation. • Adapting to the AI Act may require changes to the solutions used so far and/or limit them. • The use of various unverified AI systems by employees, especially in the SaaS model, may lead to the leakage of sensitive and personal data as well as business secrets. • Much attention must be paid as to what input is given to the AI services, as the services may use confidential or sensitive data for its own training or the leak of such data cannot be excluded, which may become a serious confidentiality and legal issue for the Group.
Potential liability for the sale of items that infringe on the intellectual property and distribution rights of others and for information and material disseminated through the Group’s platforms.	Although the Group’s terms of use clearly prohibit the sale of counterfeit items or any items infringing upon third parties’ intellectual property rights on the Group’s platform and the Group has implemented measures to detect such items, it can not completely prevent the sale of such goods. As a result, the Group has received in the past, and anticipates that it will receive in the future, legal claims from content and intellectual property owners alleging violations of their rights, which could result in substantial monetary awards, penalties, costly injunctions against the Group or reputational harm. By starting One Fulfillment by Allegro, the Group also entered into a new area of possible IP infringements arising, as the Group is not able to detect and remove every counterfeit or unauthorized product. The evolving legal framework around fulfillment services increases uncertainty and potential exposure to changing regulations. Additionally, the Group may face claims related to defamation, libel, invasion of privacy or negligence due to third-party content on the Group’s platforms, with unclear regulations on the e-commerce platform provider’s responsibility to actively monitor such content. Any measures the Group may need to implement, may involve spending substantial resources and/or discontinuing certain services. Any costs that the Group incurs as a result of liability or asserted liability could have a material adverse effect on its business, results of operations and financial condition. The Group could also face legal and financial liability for the alleged infringement of the intellectual property of third parties related to the conduct of its business.
Potential penalties resulting from tax audits related to transfer pricing compliance.	The Group carefully manages related-party transactions to comply with the applicable transfer pricing regulations. However, due to the complexity and ambiguity of these regulations, as well as the difficulties in identifying comparable transactions for reference purposes, there is a risk of differing interpretations by tax authorities. The authorities may attempt to challenge the arm’s-length nature of some of the Group’s related party transactions, potentially resulting in additional taxable income assessment or financial penalties. This may have a material adverse effect on the Group’s business, financial condition, results of operations and the price of the Shares. Moreover, an increased focus by the Polish and CE-5 tax authorities on related party transactions may cause the Group’s policies to undergo more scrutiny, and the Group may be subject to tax audits and challenges in relation to such transactions.

Risks related to regulation, legal and intellectual property matters	
Risk name	Risk description
Strategic risk link	Sub-optimal business decisions
Change in the risk level	No material change
Insufficient control and prevention mechanisms of the Group's compliance structures to adequately protect the Group from all legal or financial risks. Time-consuming and increasing compliance risks, integrating recently acquired businesses to comply with such structures, resulting from recent acquisitions.	A management system for governance, risk and compliance, which includes standards of conduct, corruption prevention, competition law compliance, prevention of conflicts of interest, information and data protection, prevention of unlawful discrimination and protection of company property, social responsibility regulation and regulations for suppliers and know-how has been established in the Group's operating subsidiaries. Moreover, the Group has established a complex verification process in vendor creation which scope depends on yearly turnover. A breach of the regulations can certainly damage the Group's reputation and significantly impair the Group's business, financial and earnings position. This policy and the oversight of the Group's internal compliance and legal departments might not be sufficient to prevent all unauthorised practices, legal infringements, corruption and fraud, in particular in purchasing practices, or other adverse consequences of noncompliance within the Group's organisation or by or on behalf of the Group's employees. The limitations of capacities may further be exacerbated by growing regulatory requirements that will be imposed on the Group under currently negotiated EU legislation and due to expansion of the Group activities. Any failure in compliance could harm the Group's reputation and have a material adverse effect on the Group's business, financial condition and results of operations. The Group aims to apply its management system for governance, risk and compliance described above across all the Group's operating companies. However, at the same time the Group recognises that, in the case of acquired companies or businesses, it usually takes some time to introduce this management system, whether from a zero base or by modifying a pre-existing policies and procedures at the acquired entity. In periods following a material acquisition, risks of failures in governance, risk management and general compliance may be heightened for a time and could harm the Group's reputation and have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Related to the Shares	
Risk name	Risk description
Strategic risk link	Financial liquidity
Change in the risk level	No material change
Potential downward pressure on the market price for Allegro's shares and reduced capital raising ability.	The Significant Shareholders of the Company have sold, and may continue to seek to sell, substantial numbers of their shares on the public market. In anticipating this supply of shares, other market participants may be unwilling to pay higher prices for the stock, even as financial results improve or the stock market generally goes up. Moreover, should the Company wish to raise capital through the issuance of new equity for cash in the future, there can be no assurance from the Management or the Board that the Significant Shareholders would either vote for or participate in such a capital raising.



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3.

Regulatory Matters

INTRODUCTION

The Group's operations are subject to numerous laws, rules and regulations resulting from both EU and domestic laws in countries where the Group operates. The regulatory requirements applicable to the Group's business activities are subject to change, as they are continuously adapted at the national, European, and international level. The regulatory debate at the EU and national level focuses largely on online platforms and online marketplaces and may result in additional obligations and costs. This will result in far reaching obligations and potentially establishment of new supervisory authorities and regulatory risks.

In 2024, a number of legislative processes relevant for the Group that were described in the 2023 Annual Report were concluded at the PL and EU level. This includes but is not limited to Cyber Resilience Act (EU), Artificial Intelligence Act (EU), Regulation on Packaging and Packaging Waste (EU), Product Liability Directive (EU), Regulation on Ecodesign for Sustainable Products (EU), Directive on empowering consumers for the green transition (EU), Directive on improving working conditions in platform work (EU) and Right to Repair Directive (EU), an amended Act on exchanging tax information among member states (in PL, a delayed implementation of the DAC7 directive which requires Allegro to collect certain information from its merchants once they reach certain quantitative thresholds), as well as amended Act on accounting, reporting audit firms (PL, implementation of the CSRD directive). The other implemented acts on the PL level include the amended act on waste management which implemented the deposit system for bottles and other. Finally, Poland adopted in 2024 a bill on Electronic Communications which implemented the European Electronic Communications Code, which was not directly applicable to the Group companies. However,

the bill was followed by a delegated regulation which implemented the directive on harmonisation of the laws of the Member States relating to the making available on the market of radio equipment, which concerned provision of USB C chargers for electronic equipment.

Works are also progressing in the EU on regulations related to financial services, taxes and customs, artificial intelligence, sustainability of products and many others. This includes but is not limited to Draft VAT in the digital age package (EU), EU Customs Code review (EU), Draft AI Liability Directive (EU), Act on collective redress (PL), Procedural rules for the GDPR – Regulation (EU), Payment Services Directive and Regulation (EU), Financial Data Access Regulation (EU), Late Payments Regulation (EU), Toy Safety Regulation (EU), Revision of ADR Directive and repeal of Online Dispute Resolution Directive (EU), Revision of the EU Waste Framework Directive (EU). On the national level, Poland is lagging behind with adoption of the acts implementing DSA, GPSR, and even though the two acts are directly applicable in all member states, implementation is necessary to provide institutional framework, administrative procedures and fines. On top of the above, Poland has not yet implemented the CPC Regulation which was expected to provide certain tools for level-playing field enforcement.

Additionally, a number of draft proposals were published in 2024 that will have an overall impact on the digital economy and e-commerce. This includes but is not limited to the draft directive on administrative cooperation in the field of taxation (DAC9, EU) and secondary legislation for the Digital Services Act and General Product Safety Regulation. The growing number of laws related to ecommerce and the digital economy increases the risk of overlooking

relevant legislation and being unable to mitigate related risks in advance. This risk will be exacerbated as the Group continues to expand its activities to new countries. If the Group fails to comply with any of these laws and regulations, the Group may be subject to civil liability, administrative orders, fines, or even criminal sanctions. Such failure may also have an adverse impact on the Group's reputation.

Additionally, conclusions from the review of EU consumer law have been published in 2024 that will serve as a basis of an anticipated Digital Fairness Initiative (it will take the form of a legislative proposal in late 2025 or early 2026), which would be of great significance to the AMG. Another expected proposal may be the Circular Economy Act. There

are expectations for a revision of the Consumer Protection Cooperation Regulation ("CPC") to allow for better level-playing field enforcement and for a DAC10 directive which may revise already too low thresholds for reporting merchant sales by platforms, yet none of the two initiatives has been announced yet.

Below, we outlined selected information on certain aspects of the regulatory and legal environment that are applicable to Group's key business activities including major changes in these rules that were recently adopted. Such information is not exhaustive and it is not intended to provide a comprehensive or complete description of the applicable regulatory and legal requirements.

IMPLEMENTATION AND ENFORCEMENT OF THE DIGITAL SERVICES ACT AND DIGITAL MARKETS ACT

In 2024, a core regulations for the e-commerce platforms came into effect: the Digital Services Act (DSA) ^[1]. The Digital Markets Act (DMA) came into force in late 2022 and was applicable from April 2023, yet 2024 was crucial for their enforcement. Both acts were formerly referred to as ex ante rules ^[2]. Both regulations introduce heavy financial penalties for a failure to comply.

The Digital Services Act redefines platform's obligations regarding fighting illegal content (notice and action mechanism, trusted flaggers), increases platforms' obligations regarding transparency vs. users (incl. on recommendations and advertising, content moderation, automated decision making), introduces sellers' verification (traceability) obligations and provisions related specifically to online marketplaces liability for third party goods sold via the platform. The DSA introduces extensive reporting obligations vs national competent authorities and the European Commission. Stricter obligations are applicable to platforms designated as very large online platforms (VLOPs), which is not the case for

Allegro. Enforcement tools, incl. financial sanctions up to the 6% annual turnover were adopted. Dedicated supervisory authorities ensuring compliance with the regulation, known as Digital Services Coordinators, were established within its framework (among the markets where Allegro operates, we are still waiting for the designation of a Digital Services Coordinator in Poland). The year 2024 was marked by intensive implementation work on the DSA at Allegro. We also monitored enforcement trends initiated by the European Commission against VLOPs.

The Digital Market Act, introduces obligations and limitations to certain business' practices for "gatekeeper platforms" such as prohibition to combine data between gatekeeper's services with third party data, data from users on consent, prohibition of self-preferencing practices, prohibition from limiting business users' access to users and business users' right to sell outside (lower prices), limits in bundling of services, data sharing obligations, and limits to use of data.

[1] Regulation of the European Parliament and of the Council on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC.

[2] Regulation of the European Parliament and of the Council on contestable and fair markets in the digital sector.

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As of now Allegro does not fall under the gatekeeper definition under the DMA. Yet, this act may apply to Allegro in the future, especially in case of further M&As. Additionally, the Group as a business user of gatekeepers' core platform services, is affected by the way gatekeepers will comply with the DMA. Therefore, in 2024, Allegro monitored developments in proceedings against gatekeepers conducted by the European Commission and actively participated in consultation forums on this topic. It is worth noting that the President of the Polish Office of Competition and Consumer Protection is currently part of the High Level Group on the DMA, an advisory body to the European Commission on the DMA.

NEW EU LEGAL FRAMEWORK FOR AI

The Artificial Intelligence Act (AIA) entered into force in August 2024. The regulation defines Artificial Intelligence; prohibits the use of certain AI systems seen as intrusive or manipulative; sets the requirements for high risk AI systems and rules on putting AI systems on the EU market and into service. It provides transparency obligations for certain AI systems and sets rules on market monitoring & surveillance, including sanctions up to EUR 30,000,000 or up to 6% of total worldwide annual turnover for the previous financial year. Among others, the use of AI systems for the use of creditworthiness assessment, in the employment context and biometric identification are perceived as high risk applications. The majority of rules of the AIA will start applying on 2 August 2026. However, prohibitions of AI systems deemed to present an unacceptable risk will already apply from 2 February 2025, while the rules for so-called General-Purpose AI models will apply from 2 August 2025.

The AIA implies careful assessment of used AI algorithms in the company, requirement to maintain risk management systems for high risk applications, a number of data governance, reporting and documentation requirements. They will increase compliance cost and – given new framework and unclear definitions, may bring uncertainty related to use of AI.

The AIA is directly applicable throughout the EU, yet it requires implementation to establish an institutional framework. In 2024 the implementation works in Poland began, however they will continue in 2025.

NEW EU FRAMEWORK FOR CONSUMER CREDITS

The new Consumer Credit Directive 2 (CCD 2) 2023/2225 [1] introduces a number of additional reporting requirements, precontractual information obligations, requirements concerning advertising of credit products, additional obligations under the creditworthiness assessment and interest rate caps. It will apply to all consumer credits regardless of the amount and length of the loan (minimum amounts were removed, as well as, the exemption for short credits). It entered into force in November 2023. Member States must implement CCD 2 into national law by 20 November 2025. The implementing provisions will apply 12 months from the transposition deadline, i.e. from 20 November 2026. Given the above timeline, we expect increased legislative work on the CCD 2 implementation in 2025.

It is also worth mentioning that since June 2024 the law on amending certain laws in connection with the prevention of identity theft has been applicable in Poland. The law is aimed at strengthening protection against abuse resulting from the theft of data that uniquely identifies an individual. In particular, it concerns limiting the scale of incurring certain types of financial and property obligations on stolen data. The law covers companies granting loans (banks and loan companies). Allegro Pay is required to verify the PESEL (Powszechny Elektroniczny System Ewidencji Ludności – Common Electronic System of Population Register) number in the registry when entering into a consumer credit agreement. This will result in the need to change the internal procedure for granting consumer credits. Throughout the first half of 2024, the company's implementation of the law's provisions was underway in Allegro.

NEW EU PRODUCT SAFETY FRAMEWORK

The General Product Safety Regulation 2023/988 is applicable as of December 2024. The regulation strengthens consumer rights in the EU single market. It addresses risks related to online shopping by introducing product safety rules for online marketplaces. It aims at ensuring that all products reaching EU consumers are safe, whether coming from within the EU or from outside and that dangerous products are recalled from the market. The regulation has important implications for Allegro's online marketplace, fulfillment center and 1P. It will strengthen product related obligations, including

unsafe product removals, cooperation in ensuring effective product recalls, granting access to interfaces/data scraping for market surveillance authorities, ensuring online interface design to enable traders to provide product information on the listing. The matter of determining the level of fines has been left to the competence of national authorities (the Polish transposition is ongoing), but they are expected to be effective, proportionate and dissuasive. The GPSR transposition is made through a thorough revision of the product safety legislation and the introduction of the new Product Safety Bill.

[1] Directive 2023/2225 of the European Parliament and of the Council of 18.10.2023 on consumer credits and repealing Directive 2008/48/EC.

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DATA PRIVACY

GENERAL REGULATIONS

As part of its regular operations, the Group processes significant quantities of personal data. Therefore, the Group has implemented robust privacy policies and IT solutions to ensure compliant processing of personal data.

The General Data Protection Regulation that entered into force on 25 May 2018 sets out the general framework for the European data privacy regime. Fines for breach of the GDPR may be significant, depending on circumstances of an individual breach. In the worst case scenario they can go as high as 4% of the turnover of the Group. Moreover, the supervisory authority may restrict further use of data in question, which could potentially impact the Group's operations. At the local level the GDPR is supplemented by the local legislation.

The following item illustrate selected areas of data privacy protection which are of particular relevance in the e-commerce sector:

- Email advertising: Subject to certain exceptions, email advertisements (e.g. newsletters, product recommendations or sales announcements) may only be sent to addressees who have given their explicit prior consent. The EU rules governing email marketing are set forth in the GDPR and, operating as a *lex specialis* in relation to the

GDPR, in the so-called e-Privacy Directive (Directive 2002/58/EC as amended). The general rule under the e-Privacy Directive is that the use of email for direct marketing purposes is only permitted in respect of subscribers or users (of the public electronic communications services concerned) who have given their prior consent (opt-in). These rules may further change as the e-Privacy Directive is currently under review. Web analysis: Web analysis technologies such as cookies or tracking tools (e.g. Google Analytics) enable the operator of a website to personalise its offers and marketing to better match the users' interests. Even though most web analysis tools anonymise or pseudomise collected data and do not allow for a subsequent allocation of data to individual data subjects, the use of such tools may still be subject to data privacy laws. For example, the use of cookies is regulated by the Directive on Privacy and Electronic Communications which provides for an opt-in regime pursuant to which the use of cookies requires an informed consent of the website user.

Works on the partial revision of the General Data Protection Regulation with regard to the cooperation between national data protection authorities when enforcing the General Data Protection Regulation (GDPR) in cross-border cases begun in July 2023.

CYBERSECURITY

In the EU, the cybersecurity regime has been harmonised under the EU Directive 2016/1148/EU of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union (the "NIS Directive") which entered into force on 8 August 2016. The NIS Directive requires "essential service operators" within critical infrastructure sectors, such as the energy, transport or banking sector, as well as "digital service providers" (e.g. online marketplaces), to carefully review existing network security mechanisms, to implement "state-of-the-art" security measures which shall ensure a level of security for their infrastructure appropriate to the risk of the respective entity as well as to establish proper notification measures to promptly notify the competent authority of any incident which has a substantial impact on the services offered in the European Union.

The NIS Directive is further supplemented by the Commission Implementing Regulation (EU) 2018/151 of 30 January 2018 laying down rules for its application as regards further specification of the elements to be taken into account by digital service providers for managing the risks posed to the security of network and information systems and of the parameters for determining whether an incident has a substantial impact.

The NIS Directive has been implemented in Poland by the Act of 5 July 2018 on the National Cybersecurity System, which sets out detailed obligations within the framework of the NIS Directive and provides for penalties for breaches that may be imposed by the Polish Minister of Digitalisation.

While fines for individual breaches that may be imposed would normally not exceed PLN 20,000 per breach, in the unlikely event the Group is found in notorious breach, that could result in:

- direct and serious cybersecurity threat to defence, state security, public order and safety, or human life or health; or
- threat of causing serious proprietary damage or substantial disturbance in performance of essential services,

fines may be up to PLN 1.0 million.

In December 2022 the European Commission published a proposal for a directive of the European Parliament and of the Council on measures for a high common level of cybersecurity across the Union, repealing the NIS Directive. Works at the EU level were finalised on 28 November 2022. Transposition deadline for NIS passed on 17 October 2024. Despite the EU national transposition deadline, Poland has not yet implemented the directive into law. The Directive aims to ensure a high level of responsibility for the cybersecurity risk-management measures and reporting obligations at the level of the essential and important entities. These obligations are to be approved and overseen by the management body. Worth noting that postal operators are included in the scope of the NIS Directive as important entities, which may imply additional obligations related to ensuring services security.

DIGITAL OPERATIONAL RESILIENCE ACT

The Digital Operational Resilience Act (DORA) entered into force on 16 January 2023 and became applicable on 17 January 2025, in 2024 the European Supervisory Authorities (ESAs) have been working on the Level 2 legislation (technical standards for all financial services institutions to abide by, from banking to insurance to asset management).

Therefore, the company participated in several open consultation processes and was carefully assessing among others, used systems, reporting and documentation requirements. Due to the multitude of new requirements, DORA will increase compliance cost for the company.

PROTECTION OF COMPETITION AND CONSUMERS

Due to the nature of the Group's business, the Group is subject to various regulations on competition and consumer protection.

PROTECTION OF COMPETITION

Competition restricting practices (anti-competitive agreements and abuse of dominance) are prohibited under the Polish Competition Act and the TFEU, as well as various other acts and regulations on the domestic and EU level. The protection of competition is monitored at the European level by the European Commission and at the domestic level by national competition authorities – in Poland the OCCP President. National competition authorities also have the right to apply EU competition law directly (Article 101 and 102 TFEU) if the infringement affects trade between EU member states. The Polish act on competition and consumer protection was amended in 2023, following a delayed implementation of the ECN+ directive.

PROTECTION OF CONSUMERS

Under the Competition Act, in Poland, the OCCP President, acting in public interest, is responsible for implementing the consumer protection policy. The OCCP President conducts proceedings concerning (i) practices infringing collective consumer interests and (ii) abusive clauses in standard agreements with consumers. The Group must also comply with various consumer protection laws regulated at the

EU level. There are numerous acts encompassing consumer protection laws, the most important one being the Act on consumer rights, which has been revised because of the implementation of the Omnibus directive. The new regulations have been in force since 1 January 2023 and are already subject to OCCP scrutiny. It is worth noting that Allegro was a pioneering company when it came to implementation of changes to the consumer law as Allegro was compliant with the regulations before the new law (which was a delayed implementation of EU legislation) came into force in Poland.

The Group may be also subject to enforcement of consumers' protection rules by national consumer's protection authorities in the Czech Republic, Slovakia, Hungary, Croatia, Slovakia and Slovenia where it has its platform and/or retail activities.

POTENTIAL SANCTIONS FOR BREACH OF COMPETITION OR CONSUMER LAWS

In Poland, The OCCP President may issue a decision and impose a fine of up to 10% of the Group's turnover generated in the year preceding the imposition of the fine for breach of Polish (or EU) competition law, and up to 10% of the individual company's turnover for recognising the practice as infringing collective consumer interests or recognising the provisions of a standard form contract as abusive. The OCCP President may also (i) enforce abandonment of the practice/abusive clause and/or (ii) order the company to remedy the effects of an infringement.

An agreement/provision that amounts to an infringement is invalid in its entirety or in relevant part.

Additionally, the EC has the power to impose fines of up to 10% of the turnover of the company concerned in the last financial year for breach of EU competition rules. This 10% limit may be also based on the turnover of the group to which the company concerned belongs.

The Group may be subject to civil claims for damages in relation to the alleged or actual infringement of competition or consumer law. A damages action can be triggered by a stand-alone action or by an action that follows a public enforcement decision such as a decision of the OCCP President or the EC. The Group may also be a claimant in such proceedings. To ensure effective enforcement of such claims, a private enforcement legal framework has been under development in recent years throughout the European Union to, among other things, introduce a directive harmonising rules on numerous issues arising in competition damages claims and introduce collective redress mechanisms. This framework seeks to strengthen the position of private claimants seeking damages by removing substantive and procedural obstacles for claimants to prove an infringement and establish damages.

New provisions were introduced in 2023, following the implementation of the ECN+ directive. These may affect the Group, as any other company on the Polish market: possible fines for business organisations (or subsequently, members of business organisations), should the OCCP find that their members entered a prohibited agreement. Other important changes include: changes to how fines for antitrust infringements are calculated (the turnover of the whole capital group may be taken into account), as well as a limitation of the scope of legal professional privilege, which was adopted regardless of intense protests of business entities, business organisations and lawyer corporations. Finally, the President of the OCCP now has a 5-year term of office, with the existing President of the OCCP having become the first one with the term of office in 2023.

The implementation of the Collective Redress directive, which is supposed to boost consumer claims, especially the collective ones, exercised by mandated consumer organisations, was completed in 2024.

Also, the implementation of the Accessibility Act was completed in 2024, following a lengthy and delayed transposition process. The Act enhances, among others, accessibility of online services to the digitally excluded social groups.

The Group may be also subject to enforcement of competition law by national competition authorities in the Czech Republic, Slovakia, Hungary, Croatia and Slovenia where it has its platform and/or retail activities.

POTENTIAL UPCOMING CHANGES TO THE POLISH COMPETITION AND CONSUMER LAW

Implementation of the Consumer Protection Cooperation Regulation – a much delayed implementation – which will give additional powers to the President of OCCP in the field of consumer law breaches (especially online) has been put on hold.

On top of the above, as explained in proceeding sections, certain green / sustainability legislation was adopted at the EU level, which ultimately aims to strengthen consumer protection and will require local implementation in EU member states. Two transpositions are scheduled to begin soon: the transposition of the Directive on empowering consumers for the green transition, and the Directive concerning financial services contracts concluded at a distance.

POSTAL SERVICES

As part of development of the Group's services, on 16 April 2020, Allegro was registered in the register maintained by the UKE as a postal operator.

Provision of postal services is governed by:

- Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, which has been implemented in Poland under the Postal Act of 23 November 2012; and
- the Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services.

In the Group's capacity as postal operator, the Group will be subject to various ongoing regulatory and reporting duties and will be subject to ongoing supervision by the President of the UKE. The Group may also be subject to certain specific duties related to state security, national defence, and public order and safety matters (including crime prevention) and will need to cooperate on that with various Polish state security agencies.

Whenever the Polish public postal operator (Poczta Polska) incurs losses on its universal postal service, it may request that the President of the UKE orders that such losses shall be compensated by those of the remaining postal operators whose revenue from universal postal service or equivalent services (excluding courier services) in a given financial year exceeds PLN 1.0 million. Such operators would then

participate in such losses on a pro rata basis in accordance with a formula set out in the Postal Act and each operator's share cannot exceed 2% of the amount by which its revenue generated by such services exceeds PLN 1.0 million.

If the Group is found in breach of its various regulatory duties, the Group may be exposed to a fine of up to 2% of part of Allegro's turnover generated from postal activities (or EUR 500,000 (PLN 2.3 million) if the Group's breach occurs within first twelve months of rendering postal services).

Furthermore, breach of certain reporting duties under the Regulation (EU) 2018/644 may result in fines up to 2% of Allegro's total turnover.

In the context of the postal services it is worth mentioning that in November 2024 directive (EU) 2024/2831 on improving working conditions in platform work was published in the Official Journal of the EU. It includes measures to correctly determine the employment status of people working through digital labour platforms and introduces new rights for both workers and self-employed people regarding algorithmic management. The directive aims at improving the working conditions in platform work and to support the sustainable growth of digital labour platforms in the EU. Although it is not targeted at postal/couriers' services it may have an impact on contractual relations between platforms and postal/courier service providers'. The directive shall be transposed to national legal orders by 2 December 2026. Local implementations of the directive in Poland and Czechia may be relevant for Allegro.

MARKETING AND USE OF EXPLOSIVES PRECURSORS

Under the Regulation (EU) 2019/1148 of 20 June 2019 on the marketing and use of explosives precursors, amending Regulation (EC) No 1907/2006 and repealing Regulation (EU) No 98/2013, which entered into force in February 2021, online marketplaces such as the Group need to:

- ensure that users selling regulated explosive precursors know their obligations (Art 7.3);

- take measures to help users comply with verification obligations (Art 8.4); and
- have in place measures to detect suspicious transactions and report attempted or suspicious transactions within 24 hours (Art 9.2 & 9.4).

The Group has introduced processes and necessary T&C changes to ensure compliance with this Regulation and Polish implementing laws.



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PAYMENT SERVICES AND AML REQUIREMENTS

As is the case for many other e-commerce businesses, the Group's operations are heavily dependent on the provision of payment services. While payment services have historically been provided by third-party payment services providers, the Group launched its own payment services in the second half of 2020, making applicable payment services regulations directly applicable to the Group. Allegro Finance sp. z o.o. was first registered as a "small payment institution" ("SPI"). In December 2023 the Polish Financial Supervision Authority ("PFSA") provided Allegro Finance with the licence of "domestic payment institution" ("DPI"). The DPI licence is described below.

Payment services in Poland are regulated and in general, companies undertaking such activities require authorisation from the PFSA, in which the PFSA specifies the payment services that the payment institution is authorised to provide.

At the national level, the payment services are primarily regulated by the Act on Payment Services of 19 August 2011 (Journal of Laws of. 2020 item. 794, as amended) (the "APS"). APS contains provisions which are national implementation of the Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD2).

The payments services and issuance of electronic money is supervised by the PFSA to the extent and subject to the conditions stipulated in the Act on financial market supervision of 21 July 2006 (Journal of Laws 2020, item. 2059, as amended). In the same time, the President of the NBP supervises the payment systems within the meaning of Article 1.1 of the Act of 24 August 2001 on settlement finality in payment and securities settlement systems and the rules of oversight of these systems (Journal of Laws of 2019, item 212, as amended), the payment schemes within the meaning of the APS, as well as participates in the PFSA's supervision of: (i) domestic payment institutions which provide the acquiring

service; (ii) entities which operate securities settlement systems; and (iii) entities which operate securities clearing systems.

Under the APS, the provision of payment services is a licensable activity (unless one of the exemptions provided for in the APS applies). Only entities listed in Article 4.2 of the APS, in the specific conditions set out in the APS, may become payment services providers. Payment services may be provided by a payment institution. The term "payment institution" covers DPIs in Poland and institutions licensed in other EU Member States to provide payment services ("EU payment institutions"). In order to begin providing payment services in Poland as an DPI, an authorisation from the PFSA is required. In case of acquiring services, the President of the National Bank of Poland must issue an opinion before the relevant authorisation is granted (opinion is issued upon the PFSA's request). The authorisation (and the opinion) can be obtained based on an application filed with the PFSA by the legal entity with a registered office in Poland that intends to provide payment services in Poland. In the authorisation, the scope of payment services that may be provided by an DPI is specified. The PFSA may withdraw the authorisation at any time in the circumstances described in the APS (however, other supervisory measures are also available to the PFSA, including power to: request to dismiss or to suspend the managing person responsible for irregularities, limit the scope of DPI's activity, impose a fine on the managing person or on the DPI itself). The authorisation expires if an DPI has not started payment services activity within twelve months from the day authorisation has been granted, as well as in case an DPI does not provide payment services over a period of six consecutive months or more. Expiry must be expressly stated in the PFSA's decision.

Certain requirements laid down in the APS must be satisfied by an entity that intends to provide payment services in Poland. If an DPI wants to provide most of the payment services (listed in Articles 3.1–3.5 of the APS), it must have share capital of at least EUR 125,000 or its equivalent in złoty. Contributions to cover the share capital may not originate from a credit facility or loan or be in any way encumbered

or originate from illegal or undisclosed sources. The DPI must also hold the required amount of own funds (the minimum requirement for own funds specified in the APS). Depending on the scope of services, the DPI is obliged to have relevant instruments for the purpose of securing claims arising from the activities conducted by the DPI (e.g. bank guarantee, third-party liability insurance, insurance guarantee).

The DPI is supervised by the PFSA, which results in reporting and other obligations under the APS for the DPI. Among other things, the DPI is obliged to submit its audited annual financial statements (and if consolidated – also the consolidated annual financial statements) and interim financial statements to the PFSA in the time limit laid down in the APS.

Direct or indirect disposals of shares in an DPI is subject to the limitations set out in the APS. PFSA has to be notified of the intention to acquire or take up, directly or indirectly, shares of an DPI in a number sufficient to reach or exceed 20%, 30%, or 50%, respectively, of the total number of votes at the decision-making body or a share in the share capital, or if, by virtue of the acquisition, such an DPI would become a subsidiary or co-subsidiary of that entity. Similar obligation is imposed on a potential seller, in case it intends to dispose, directly or indirectly, of a qualifying holding in the DPI.

The DPI, the SPI, the payment services offices and branches of the EU payment institutions are among other entities considered "obliged entities" (institutions) within the meaning of the Act of 1 March 2018 on Counteracting Money Laundering and Terrorist Financing (consolidated text – Journal of Laws 2020, item. 971, as amended) and therefore obligations related to AML/CFT are directly applicable to them (e.g. obligation to conduct financial security measures, including customer due diligence; appointing senior management responsible for the fulfillment of the obligations set out in the Act; and designating AML Compliance officer).

It is also worth mentioning that the PFSA may issue the recommendations on good practices for the prudent and stable management of DPIs in order to protect the interests of users or holders of electronic money.

Breach of various duties under the APS may result in significant fines, including criminal liability.

It is also worth mentioning that on 19 June 2024 the AML Package was published in the EU's Official Journal ("OJ"). The AML Package includes the Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 ("AMLD 6"), the Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("AMLR") and the Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 ("AMLA-R").

Of particular interest to the company is the AMLR. It sets out new rules in several areas i.e. internal policies, controls and procedures, customer due diligence (CDD), beneficial ownership (BO) transparency and measures to mitigate the misuse of bearer instruments. The changes of main concern to Allegro are on customer due diligence and additional control procedures. The rules for identification and verification of the client have been defined somewhat differently in the draft than in the current Polish AML Act.

In the context of Financial Services it is worth noting that on 24 September 2020 the European Commission published the Digital Operational Resilience Act (DORA) ^[1]. The Regulation was adopted on 28 November 2022. DORA became applicable on 17 January 2025. It aims to bring the requirements relating to ICT risk management in the financial services sector and guidelines issued separately by the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Securities and Market Authority (ESMA), under one roof. As a payments institution regulated under PSD2, Allegro is compliant with the PSD2 and the EBA Guidelines on operational risk and major incident reporting. This framework is already quite robust and includes many of the requirements laid out in DORA. Additionally, certain cybersecurity related obligations may be introduced.

On June 28 2023, the European Commission published the Payments package, which includes Payment Services Directive 3, Payment Service Regulation and Financial Data Access Regulation.

The revision of the Payment Services Directive (PSD3) – one of the main aims of this proposal is to strengthen the open banking framework and strengthen customer authentication (SCA) requirements. These impact payment institutions indirectly, for instance, in terms of the consumer experience. The rules around the authorisation of a Payments Institution have been extended, this includes, larger capital requirements, rules around safeguarding, and the granting and withdrawing of authorisation as a payment institution.

The Payment Service Regulation (PSR) reinforces the existing requirement to grant Payment Institutions (PIs), like Allegro Finance, non-discriminatory access to payment systems and accounts held by credit institutions. The scope of the requirement has been expanded to encompass not only the onboarding but as well the offboarding of PIs and those in the process of obtaining a license. However, these mainly focus on AML concerns and breaches of contract.

The framework for Financial Data Access (FIDA) establishes rights and obligations to manage customer data sharing in the financial sector beyond payment accounts. The idea is to create a level playing field between banks on the one hand, and new fintech firms on the other hand. The proposal also aims to create incentives to share data by allocating revenue to the provision of data. Allegro is in scope of the proposal, as payments institutions are seen as data holders. This means that Allegro will need to provide data to the customer at their request and develop a dashboard for data sharing for the customer. Furthermore, there is some uncertainty on what data needs to be included. The recitals both explicitly exclude data from credit worthiness assessments, and include them, but it's not always clear where this line is drawn, especially with regards to SME financing.

In 2024 the work on the Payment package at the European level continued. We estimate that they will be completed by the end of 2025.

OUTSOURCING SERVICES

In order to facilitate cooperation between banks and payment services providers and users of the Group's e-commerce marketplace, the Group is providing certain services to banks and payment services, which constitutes qualified outsourcing regulated under, respectively, the Polish Banking Act of 29 August 1997 and the APS.

In that capacity, the Group's activities may fall under supervision of the PFSA.

NEW EU PACKAGING AND PACKAGING WASTE RULES

In relation to the Group's activities, in particular retail activities, the Group is subject to various reporting, recycling and other obligations under Polish Act on Waste of 14 December 2012 (consolidated text –

Journal of Laws 2020, item 797, as amended) and the Polish Act of 13 June 2013 on dealing with packaging and packaging waste (consolidated text – Journal of Laws 2020, item 1114, as amended). New EU regulation on packaging and packaging waste (PPWR), which substantially amends the Single Use Plastic Directive ^[2] and repeals the directive on packaging and packaging waste (Directive 94/62/EC) was adopted on 19 December 2024 and will become applicable in mid 2026. The regulation aims at harmonising across the EU Member States provisions, regarding Extended Producer Responsibility (EPR), packaging minimisation, reuse, recycling and labelling. The act has a direct obligations for online platforms to verify EPR obligations of sellers (notably, platforms should obtain from the packaging producers – manufacturers, importers or distributors – information about their compliance with the extended producer responsibility rules, and the rules on traceability of traders selling packaging online will be subject to the enforcement rules set out in Regulation (EU) 2022/2065 (DSA). Overall, the regulation impacts the Group for its 3P (online marketplace), 1P and fulfillment operations, as well as merchants. At the same time some of the proposed obligations are aligned with the Allegro approach, especially as regards promoting sustainable packaging solutions via One Fulfillment by Allegro. Furthermore, the expected harmonisation of the rules on registration in each Member State's packaging database could bring some benefits to the merchants, especially those selling crossborder (despite the required bureaucracy). Nevertheless, there are risks entailed with provisions delegated to the secondary legislation and their proper implementation over time, as well as to the arbitrary bans on usage of certain packaging materials or formats. In Poland, 2024 brought the adoption of the amended waste management bill.

INTERIM FDI REGIME

GENERAL

The below amendments to the Polish the Act on the Control of Certain Investments of 24 July 2015 entered into force on 24 July 2020 and were supposed to be effective for 2 years, but were extended in 2022 by another 3 years (until July 2025).

The revised interim foreign investment regime (the "FDI Regime") was introduced in response to the negative effects that COVID-19 pandemic may have on valuations of Polish businesses. Any transaction that falls within the scope of the FDI Regime will have to be notified to the OCCP President, who has the right to object to the contemplated transaction.

The FDI Regime will apply to all WSE-listed companies that have their registered offices in the territory of Poland and whose revenue from the sale of goods or services in Poland in any two financial years preceding the notification was at least EUR 10.0 million (PLN 46.1 million). As the Company is incorporated in Luxembourg, therefore, a number of restrictions under the FDI Regime will not apply to trading in the Company's shares.

However, the FDI Regime may apply to some of the Group's Polish operating companies due to their software-related activities. In such a case, indirect acquisition of a dominant position over such Polish operating companies (including by way of acquiring a dominant position over the Group) by a Foreign Investor (as defined below) will be a transaction that has to be notified under the FDI Regime.

In 2024 the government exercised its right to prevent FDIs by adding certain entities to a list of strategic companies protected from takeovers without having to refer to the interim FDI regime. New provisions are effective from 1 January 2025.

[1] Proposal for a regulation of the European Parliament and of the Council on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014 and (EU) No 909/2014

[2] Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment.

FOREIGN INVESTOR

The FDI Regime will recognise as a “Foreign Investor”:

- in the case of natural persons, those who are not citizens of an EU/EEA/OECD country; and
- in the case of other entities, those that do not have their registered seat in an EU/EEA/OECD country or have not had their registered seat in an EU/EEA/OECD country for two years or more.

In the case of indirect investments (e.g. through subsidiaries or special purpose vehicles), the entity (or person) at the top of the Foreign Investors group structure is considered pursuant to the above criteria. Similarly, if the investment is made by portfolio managers or other agents, the client is taken into account.

NOTIFICATION

The notification should be filed before the signing of a preliminary agreement obliging an investor to make the acquisition or, in the case of the acquisition of a WSE-listed company by way of a public tender offer, before the tender offer is announced.

Once the notification has been filed, the Foreign Investor may sign the preliminary agreement or announce the tender offer, which will be conditional on receipt of clearance from the President of OCCP.

TIMETABLE

After the notification, the OCCP President has 30 business days to either (i) approve the transaction or (ii) initiate control proceedings. The control proceedings may last up to 120 calendar days (the clock stops whenever OCCP requests additional information, so in practice the actual timing may be even significantly longer).

REASONS FOR OBJECTIONS

The President of OCCP may object to a transaction if:

- the investor does not complete the notification fully or fails to provide the additional information/documents/explanations requested by the President of OCCP; or
- the transaction leads to at least a potential threat to public order, public safety, or public health;
- it is not possible to determine whether the investor has its registered seat (or citizenship) in an EU/EEA/OECD member state; or
- the transaction could have a negative impact on projects or programs which are of EU interest.

CONSEQUENCES OF NON-COMPLIANCE

Any transaction made in breach of the FDI Regime (without notification or without approval) will be null and void and the investor will be unable to exercise its rights (including any voting rights) under the shares acquired. In case of taking control over a parent company of a Polish protected entity; only the latter sanction will apply.

Investment made without approval is a criminal offence subject to a penalty of imprisonment from six months to five years and a fine of up to PLN 50.0 million.

Moreover, anyone managing the subsidiary or exercising voting rights on behalf of a Foreign Investor, who fails to notify the President of OCCP of the foreign investment of a certain kind (such as a cross-border merger outside of Poland) is liable to a fine of up to PLN 5.0 million, a term of imprisonment of six months to five years or both of these sanctions jointly.

REGULATORY MATTERS IN CEE

As Allegro is operating not only in Poland, but also in Czechia, Slovakia and in Hungary, legislation in those countries is being increasingly monitored. Predominantly, EU law implementations are being monitored (like DSA, GPSR), however, local laws are also under the radar. There are two acts which are specifically relevant for Allegro as a platform operating in Hungary. In late 2024 Hungary adopted a bill introducing the so-called retail tax, a new tax to be paid by platforms operating in Hungary, irrelevant of whether they are registered in Hungary or operating from elsewhere. The new tax is in force from 1 January 2025.

The other draft which may be relevant to Allegro is a draft decree requiring online stores and platforms to mark certain merchandise (including, but not limited to, erotic, LGBTQ+, etc.) as sensitive. The draft widens the scope of the regulation which was introduced for brick and mortar stores a few years ago to the online. It has not yet been adopted. Note that the decree is not subject to full legislative procedure and can be adopted anytime.

It remains to be analysed whether a local fee, introduced through the transposition of the DSA to Hungarian legal framework, will be applicable to Allegro. The fee is a local concept so that platforms established in Hungary pay a fee to the local Digital Services Coordinator to support its enforcement actions.



This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.



V.

Remuneration Report

REMUNERATION AND NOMINATION COMMITTEE HIGHLIGHTS IN 2024:

- Engaging with shareholders regarding the 2024 Executive Director Remuneration Policy and Remuneration Report disclosures prior to their approval at the AGM in relation to the 2023 results.
- Discussing and approving compensation arrangements for the Executive Team.
- Establishing performance measures and targets for annual bonus and Long-Term Incentive Plan (LTIP) awards.
- Integrating ESG criteria into Short-Term Incentives (STI).
- Transitioning oversight of the ESG agenda to the newly formed ESG Committee.
- Leading the CEO succession process, ensuring engagement with the full board throughout the process.

KEY FOCUS AREAS FOR 2025

THE COMMITTEE’S PRIORITIES FOR THE COMING YEAR INCLUDE:

- Continuing engagement with shareholders on Remuneration policy, including the role of ESG targets within this.
- Monitoring workforce pay to ensure Allegro’s compensation remains competitive for attracting and retaining the best and most relevant talent.
- Reviewing and monitoring incentive plan targets to ensure they are appropriately challenging and aligned with shareholder value creation.
- Overseeing Allegro’s progress within its People strategy.
- Ensuring the Allegro Board maintains appropriate expertise, diversity, and relevant composition.
- Monitoring evolving European corporate governance practices and market trends.
- Completing the nomination and successful transition of our CEO successor.

Letter from the Chair of the Remuneration and Nomination Committee

Dear shareholders,

On behalf of the Remuneration and Nomination Committee, I am pleased to present Allegro's 2024 Remuneration Report.

The Committee firmly believes that a strong, effective, and engaged leadership team is crucial to Allegro's success in a dynamic market. Our focus, therefore, encompasses both the composition of the Board of Directors and the Executive Team, and ensuring competitive compensation that rewards performance at all levels of the company.

Regarding Board composition, we led the search for our new Chairs of the Board of Directors and Audit Committee and ensured effective induction programmes were in place for both colleagues. I am pleased to report that both individuals have brought outstanding expertise, focus and personal commitment to Allegro, and we are delighted to have them on board. A primary focus for the Committee this year has been CEO succession planning, establishing a high bar regarding candidate selection and ensuring full Board engagement to secure the best individual to build on achievements to date and lead our future growth. Our succession process included a multi-month broad and rigorous review of internal and external candidates, and we spent substantial time considering the optimal approach to transition planning, including the retention of the outgoing CEO Roy Peticucci to support Allegro as a special advisor post the 2025 AGM.

To attract, retain and motivate experienced and engaged Executive Team members, our remuneration framework is designed to be competitive and incentivize both short-term and long-term results that are aligned with shareholders' best interest. Given Allegro's international expansion, we benchmark against a European technology peer group, with the WIG20 benchmark as a secondary reference point (excluding state owned companies that have radically different compensation dynamics).

We establish ambitious targets, both short and long term, to ensure that our Key Performance Indicators (KPIs) accurately reflect our strategic priorities. Whilst we continue to use GMV and EBITDA measures in both schemes, we use them very differently, with stretching 3-year CAGR built into long-term targets. 2024 was the first year of vesting the LTI, with PSU 2021-23 achieving a 113.86% performance multiplier, and PSU 2022-24 achieving a 76.51% performance multiplier. Recognizing the strategic importance of Environmental, Social, and Governance (ESG) factors, we have integrated an ESG measure into our incentive program. This integration is being implemented in three phases, with full inclusion in the Short-Term Incentive (STI) by 2026.

Reflecting our strategic ESG focus on merchant prosperity (ALL4Prosperity), environmental sustainability (ALL4Planet) and market-leading colleague engagement and experience (ALL4People), the Board established a dedicated ESG Committee, thereby transitioning the ESG responsibilities previously managed by the Remuneration, Nomination and ESG Committee. You can read more about how our strategy is evolving in our dedicated Sustainability Statement.

We maintain an active dialogue with our investors and proxy agencies to continuously improve our remuneration practices and the quality of our reporting. We are pleased that over 90% of our shareholders have approved the Remuneration Report at recent AGMs. We highly value this feedback and support, and we want to reassure you that we strive for continuous improvement. This year, we have enhanced the Report by including remuneration metrics from a cash-flow perspective and actual share vesting, disclosing details of our EU peer group used for benchmarking, and improving data presentation for clarity and readability.

I extend my sincere gratitude to you for your continued support and trust. I look forward to engaging with many of you at our upcoming AGM in June, or in discussions facilitated by our company secretarial team, as in previous years.

Sincerely



Nancy Cruickshank

Independent
Non-Executive
Director and Chair
of the Remuneration
& Nomination
Committee

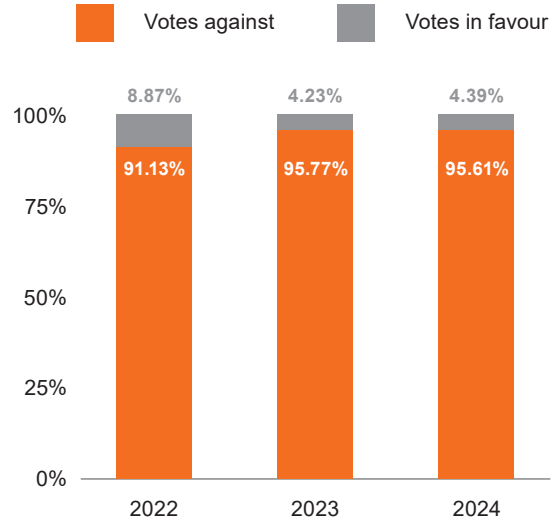
This section of the Report constitutes the Remuneration Report of Allegro.eu in relation to the financial year ending on 31 December 2024, prepared by the Remuneration and Nomination Committee of the Company and adopted by the Board of Directors on 11 March 2025 in accordance with the Luxembourg Law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and implementing Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, as amended (the “Law”), and in particular article 7ter of the Law.

The Remuneration Report presents data for Executive (“Executive Directors”) and Non-Executive Directors (“Non-Executive Directors”) of Allegro.eu Board of Directors.

Acknowledgement and approval of the Remuneration Report prepared by the Remuneration and Nomination Committee of the Company constituted a separate item of the agenda of the Annual General Meeting of shareholders of the Company. The Remuneration Reports for 2023 was approved by the Annual General Meeting of shareholders of the Company held on 26 June 2024. The following table presents results of the vote of the AGM to the annual report on directors’ remuneration.

Result of vote of the AGM to the annual report on directors’ remuneration

AGM 26 June 2024		
	Number of shares for which votes have been validly cast	Corresponding proportion of the share capital
	703,438,706	66.56%
	Number	% of votes cast
Votes in favour	672,534,903	95.61%
Votes against	30,903,803	4.39%
Abstentions	—	—
Total votes cast	703,438,706	



Since 2021, we have engaged regularly with proxy agencies and shareholders to garner ongoing input, and we continuously look for ways to improve our policy and disclosures. During the 2022-24 AGMs

the Remuneration reports received above 90% of favorable votes each year. Items raised during the discussions are presented in the table below:

Key shareholders’ and proxy advisers feedback to our recent Remuneration reports

Overall level of transparency and clarity in the report

More granularity and transparency requested to clarify our approach

- More details requested on STIP and LTIP performance framework and criteria
- Provide rationale for vesting period <3 years
- Greater distinctiveness between STI and LTIP targets, to ensure we are not paying twice

Disclosure, where possible, of how we arrive at decisions, in particular with regards to:

- granting of discretionary bonuses / awards outside of the incentive plan
- sign-on bonuses for incoming executives
- derogation clause, which should define and limit any elements of compensation framework and extent to which derogations may apply

More disclosure on drivers of overall level of CEO and executive compensation

- Explain how pay outcomes are aligned with performance
- European tech peers used for remuneration benchmarking
- More information on average employee remuneration allowing for comparison with directors’ remuneration

Report changes/clarification

Updated:

- Letter from Chair of the Remuneration Nomination Committee introduces the Report
- Clearer structure, easier comparison of data vs. previous years
- More visibility of most important data

Updated:

- Targets disclosed in arrears
- First AIP 2021 performance disclosure (in arrears)
- Clearer disclosure of vesting schedule – clear information on releasing the shares – differentiating “notional vesting” from actual vesting/release of shares
- ESG included in STIP

Disclosed:

- for each discretionary item a description is included
- derogation clause more clear in the Remuneration Policy

Updated:

- more data on benchmarking disclosed

Disclosed:

- average employee remuneration disclosed

1.

Adoption of the Remuneration Policy

The remuneration policy of the Company (the “Remuneration Policy”) was adopted by the Board of Directors on 28 September 2020 upon proposal from the Remuneration and Nomination Committee and approved by the general meeting on 29 September 2020 in accordance with the Law. The Allegro Incentive Plan (AIP) component of the Remuneration Policy was approved by shareholders of the Company on 20 September 2020, adopted by the board

of the Company on 7 October 2020 and amended in 2021 and 2022 with the aim to clarify specific AIP rules and definitions. The revised version of the Remuneration Policy includes provisions increasing the transparency of the rules for granting variable remuneration and other elements of remuneration or benefits as well as of the termination terms applicable to Executive Managers and was approved by shareholders of the Company on 26 June 2024.

2.

Purpose and scope of the Remuneration Policy

The purpose of the Remuneration Policy provisions is to set out the principles governing the remuneration of the Directors of the Company so as to contribute to the implementation of the long-term business strategy, long-term interests, sustainability, and stability of the Group. It takes into account the interests of the Group's shareholders and other

stakeholders (including customers, business partners, employees, and society). This goal is to address, in particular, the amount, principles, and structure of the remuneration of the Directors and Senior Managers. The remuneration principles take into account the current financial situation of the Group.

3.

Remuneration of Executive Directors

The Remuneration Policy is intended to attract, motivate, and retain Executive Directors who represent the highest level of competence and experience. Remuneration for Executive Directors is determined based on market pay rates for persons performing functions of board members, including entities with a similar profile of business and scope of conducted activity, taking into account the needs and capabilities of the Company and its subsidiaries, individual qualifications, and the level of experience of individual Executive Directors, as well as their scope of competence. In view of the Group's operations beyond the Polish market, when identifying candidates who meet this profile, the Group benchmarks against competencies of senior management active in more developed markets and does not require specific Polish or Central European experience (although an advantage).

The Remuneration and Nomination Committee consider the opinion of an independent advisor in the field of remuneration of Executive Directors. Similarly to the previous year, the appointed advisor in 2024 was hkp. The advice and recommendations of the external advisers were used to guide and supply the market benchmarks for Executive Directors, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisers attended Committee meetings occasionally, as and when required by the Committee.

Allegro Group continues to be listed on the Warsaw Stock Exchange. The Group competes with top international market players in the highly demanding technology and e-commerce industry. Hence, to maintain the Group's current competitive advantage and build the future business success the Group needs to be in a position to attract and recruit top talent in Poland and beyond (e.g. European Union market). In order to compete for the best talent, the Group provides competitive pay levels and structures based on objective market data.

Given this particular context, the Group has used two peer groups to define pay ranges for Directors:

- The first peer group consists of 16 European listed high-growth companies in the e-commerce, technology, platform and retail sectors selected by the Remuneration and Nomination Committee. This group of companies has been selected due to industry (& related talent) symmetry to Allegro, as well as ensuring that the companies are of a relatable size & top/bottom line financial metrics and rate of growth to Allegro. The choice of this peer group is essential in order to assure Allegro's attractiveness as an employer to highly qualified individuals from Poland and throughout Europe as well as to provide a reference benchmark in line with Allegro's international growth strategy.

Peer Group consists of companies presented in the table below.

Company	Sector	Country
Adevinta	E-Commerce / platform	NO
Amadeus	IT Group Software & IT Services	ES
ASOS	E-Commerce fashion	GB
Auto Trader Group	E-Commerce automobile	GB
Boohoo Group	E-Commerce fashion	GB
Delivery Hero	Software & IT Services	DE
Flutter Entertainment	Gambling	IE
Hellofresh	Meal kit provider	DE
Just Eat Takeaway.com	Food delivery platform	NL
Ocado Group	Software & IT Services	GB
Rightmove	Real estate platform	GB
Scout24	E-Commerce real estate	DE
TeamViewer	Software & IT Services	DE
Trainline Group	E-Commerce travel	GB
Worldline	Financial Technology	FR
Zalando	E-Commerce fashion	DE

- We also take note of an additional peer group consisting of 13 companies of the WIG 20 Index selected from the following sectors: financial services, software, telecommunications and retail. We specifically exclude state owned entities with radically different approaches to remuneration. Allegro is currently a member of the WIG 20 Index, in the second quartile by market capitalization. The choice of this supplementary peer group reflects the key range and location of the Group's operations and takes into account local market practice for Directors.

In the Peer Group benchmark analysis the Remuneration and Nomination Committee considered overall trends in Executive Directors remuneration, as well as dynamics and structure for Directors performing specific scope of Officer responsibilities (e.g., Chief Executive Officer, Chief Financial Officer).

The remuneration of Executive Directors, including all fixed and variable elements, is a direct result of the aforementioned analysis. The Executive Directors did not receive any remuneration (fixed or variable) from any other entity of the Group other than listed in this Remuneration Report.

The total Remuneration Package for Executive Directors consists of the following components:

3.1. Fixed remuneration

Fixed remuneration

Executive Directors are entitled to a fixed base salary for the work specified for each individual in their appointment letter and/or employment contract with the Company and/or its subsidiaries. Where an Executive Director performs functions for more than one entity within the Group, they may receive fixed base salaries from each entity for the respective functions performed. The base salary varies depending on their functions in the Board of Directors, Supervisory Boards, or Management Boards of the Company's subsidiaries, additional functions in the Group, and the scope of their competence. The Remuneration and Nomination Committee of the Company approves all salary elements of the Executive Directors regardless of the contract type or the entity. Base salary levels

are reviewed annually with effect from April 1 and are compared to the market benchmarks to ensure that the Group remains competitive.

Executive Directors are entitled to additional benefits including the right to use a selected healthcare package and life and disability insurance financed by the employer (fringe benefits). The Company provides the Executive Directors with insurance against any damage resulting from claims arising from the liability of members of the bodies of a listed company (Directors and Officers – D&O liability insurance). The Company does not provide any retirement schemes beyond what is required by local labor law requirements. In terms of any potential separation, severance regulations such as notice period are defined based on applied practice.

3.2. Short-term variable remuneration

STI - Annual Bonus

In addition to the base salary, Executive Directors may receive an annual bonus. The purpose of this remuneration component is to:

- communicate the key priorities for the year and drive behaviour
- motivate employees and incentivize delivery of performance over the one-year operating cycle.

The amount of the annual bonus for an individual Director depends on:

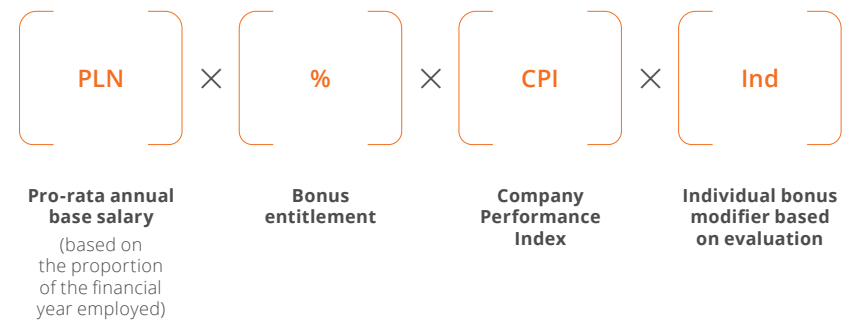
- the annualized annual base salary, prorated for any base salary changes during the financial year and prorated for the part of the year employed,
- the target size of the bonus as a percentage of annual base salary. For the 2024 financial year, it was set at 75% for all Executive Directors apart from the Group CEO, for whom it was set at 100% of the annual base salary,

- results against agreed corporate performance criteria (CPI index) that determine the size of the relevant Corporate Bonus Pool expressed as a percentage of the target bonus of 100% and accrued for each participant in the pool (the detailed rules can be found in the "Corporate Bonus Pool" table below).

- an individual modifier based on evaluation of individual performance approved by the Remuneration and Nomination Committee. The modifier can boost or reduce the bonus within a range of +25% and – 100%, considering the following criteria:

- realization of goals and tasks,
- attitude and way of performing work,
- skills development and knowledge sharing,
- any other objectives as may be determined by the Committee from time to time.

Mathematically, the short-term variable remuneration is calculated based on the formula as below:



Executive Directors may receive an annual bonus from the Corporate Bonus Pool of the entity in which they performed their function, which is calculated according to the criteria set out below. In the 2024 financial year, all Executive Directors perform their functions in Allegro. For the avoidance of doubt, the Executive Directors who are employed both at Allegro and Allegro.eu are entitled to an annual bonus from the Allegro pool for the 2024 financial year in addition to their Director fees received from Allegro.eu. The short-term variable remuneration is calculated based on performance conditions of Allegro (Company Performance Index – CPI).

Annual targets for a given year as agreed with the Board of Directors and the Committee. In 2024 the CPI consisted of 4 KPIs:

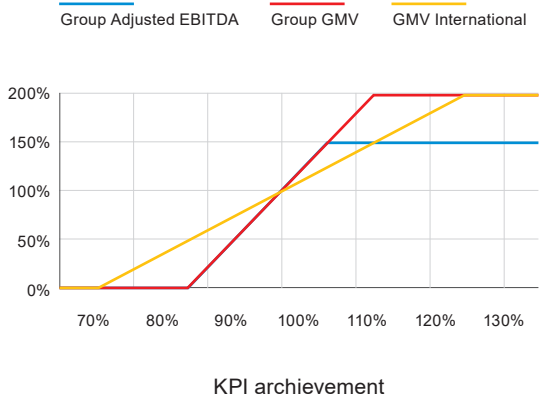
- Group Adjusted EBITDA;
- Group GMV;
- GMV International (non PL);
- ESG Index (NEW).

The Remuneration and Nomination Committee decided to include the ESG index in the Company Performance Index (CPI) starting from 2024. The ESG index is a measure of achieving top ESG KPIs described in the Sustainability Statement. For 2024 it was designed not to be increased or decreased depending on the results. Implementation of the ESG index in the CPI is planned in 3 stages:

1. 2024 – Raising awareness – index as a tool for emphasizing the importance of ESG with a result at 100% without an option to be increased or decreased;
2. 2025 – Positive impact – index as a CPI element that can be assessed as 100% or higher (no threshold);
3. 2026 – Standard CPI element – index with a threshold.

Corporate Bonus Pool

Performance criteria	Operating Company's bonus pool is based on the company's annual performance criteria realization. Annual targets for a given year as agreed with the Board of Directors and the Committee. Company Performance Index (CPI) is a base for determining a company's bonus pool. It is driven by target achievement of three KPIs: • Group Adjusted EBITDA – weight 50% where 100% performance = annual budget • Group GMV – weight 25% where 100% performance = annual budget • GMV International (non PL) – weight 15% where 100% performance = annual budget • ESG Index – weight 10%. The ESG index is a measure of achieving top ESG KPIs described in the Sustainability Statement. For 2024 it was designed not to be increased or decreased depending on the results
Min/Max payout (Cap) as of Base Salary	Min = 0%; 100% = annual budget Max Cap is limited for Group Adjusted EBITDA at level of 150% and for Group GMV and GMV International (non PL) at level of 200%
Bonus threshold	87.5% of company performance criteria realization, separately for each KPI, excluding GMV International for which the threshold is at level of 75%
Bonus pool acceleration	Linear (8% of bonus for 1% of target realization below/above the bonus threshold, continuing beyond the bonus target until any applicable cap is reached).
Payout frequency	Annually after annual results confirmation



The performance targets and actual performance for purposes of calculating short-term bonuses for 2024 applicable to Allegro employees eligible for annual bonus, including Executive Directors of the Company are presented in the table below.

FINANCIAL YEAR 2024

Allegro	Weight	Actual (mPLN)	Target (mPLN)	Target vs Actual Results Realization	Base for Bonus pool calculation	Company Performance Index
Group Adjusted EBITDA	50%	2,995	2,916	103%	122%	60.8%
Group GMV	25%	63,969	65,447	98%	82%	20.5%
GMV International	15%	3,295	4,117	80%	20%	3.0%
ESG Index	10%			100%	10%	10.0%
						94.3%

3.3.
Long-term variable remuneration

LTI - Allegro Incentive Plan

The Group has introduced the Allegro Incentive Plan (AIP), a benefit offered to its employees. Group's employees (including Executive Directors) may be offered variable remuneration under the AIP in the form of Performance Share Units ("PSU") and Restricted Stock Units ("RSU"). Typically Executive Directors are offered PSUs. RSUs are offered for ranks below Senior Manager and might be offered to Executive Directors and Senior Managers in exceptional situations, such as joining awards to replace shares walked away from in a previous employment). AIP is a long-term incentive plan based on the Company's shares, approved by shareholders of the Company on 20 September 2020 and adopted by the Board of Directors on 7 October 2020. The objective of the AIP is to align the employees' (including Executive Directors) interests with that of the Group and to

contribute to the actual long-term financial standing and stability of the Group and long-term shareholder value creation. The Remuneration and Nomination Committee is responsible for the detailed rules of the scheme, for approving grant proposals made by Management, and for deciding on the size of awards for Executive Directors.

The Group has internal share trading regulations in place for employees, who can trade Allegro shares during month-long open periods after the publication by the Company of the half-year and annual financial statements as well as selected historical consolidated quarterly financial information.

Each type of unit is described in the table below:

Allegro Incentive Plan

Eligibility	Awards may be granted only to Employees (including Executive Directors) of the Group at the discretion of the Remuneration and Nomination Committee.
Targets	The targets are up to 200% for all Executive Directors. In exceptional circumstances the target may be increased to 300% (as measured at the date of grant).
Forms of Awards	Awards under the AIP may be granted in the form of PSU or RSU which give the participants a right to receive Shares without payment on completion of a vesting period and, in the case of PSUs, subject to the satisfaction of performance conditions. The AIP rules also include flexibility for the Remuneration and Nomination Committee to grant other forms of awards, such as share options. The Remuneration and Nomination Committee may also, at their discretion grant an additional PSU Special Award to eligible Group employees (including Executive Directors) provided that the Committee has determined that there are significant circumstances such as acquisition of a new entity by the Group. Such an award must be subject to performance conditions. As new joiners, employees (including Executive Directors) may also be granted a Special Award as compensation for or buy out from a new joiner's contract in their previous employment.
Overall Plan Limits	In any ten-year period, not more than 10% of the issued share capital of the Issuer may be issued or transferred out of treasury for the purposes of awards granted under the AIP and any other discretionary employees' share plans adopted by the Company. This limit does not include management investment into the Company or awards that have been made or granted on or prior to Admission (including conditional upon Admission) or have lapsed.
Individual Limits	The maximum total market value of Shares over which an award is granted during any financial year may not exceed 200% of annual base salary of a given employee or 300% in exceptional circumstances (as measured at the date of grant). The limit does not apply to any Special Award: - Granted in connection with significant circumstances such as acquisition of a new entity by the Group; such a Special Award must not exceed 100% of Executive Directors' and Key Managers' annual base salary - Granted to a new joiner that in general relates to compensation for, or buy out from, the new joiner's contract in their previous employment
Source of Shares	Awards under the AIP may be granted over newly issued Shares, Shares held in treasury, or Shares purchased in the market (including Shares held in an employee benefit trust).
Timing of Awards	The first awards under the AIP were granted in April 2021. For 2022 and beyond, awards will normally be granted within a six-week period after the Issuer announces its annual results or 1 October of each calendar year. However, the Remuneration and Nomination Committee may grant awards outside this period at its discretion. No awards may be granted more than ten years after the AIP was approved by the Shareholders of allegro.eu, unless by further decision of the Shareholders' Meeting.
Performance Conditions	Awards in the form of PSUs are subject to performance conditions which are determined by the Remuneration and Nomination Committee at the time of grant. Awards vest between 0% (if the performance conditions are not met) to 200% (at maximum level) based on the extent to which the performance conditions are met in full or exceeded. Unlike the short-term targets, the GMV-based and EBITDA-based performance conditions, which are derived from long-term targets, are expressed as compound annual growth rate (CAGR). It describes the rate at which a given indicator would grow if it grew at the same rate every year of a multi-year plan. The long-term target is reviewed based on three years' performance conditions. Any performance condition may be amended or substituted if one or more events occur which cause the Remuneration and Nomination Committee to consider that an amended or substituted performance condition would be more appropriate. Any such amended or substituted performance condition will, in the reasonable opinion of the Remuneration and Nomination Committee, not be materially more or less difficult to satisfy.

Allegro Incentive Plan	
Vesting and Release of Awards	RSUs will vest and Shares be released in the ordinary course in three annual tranches – 25%, 25%, and 50% respectively on the first, second, and third anniversaries of the date of grant, subject to continued employment. RSUs granted to Executive Directors in the form of a sign-on bonus award may be vested in the ordinary course in three annual tranches or in specific cases during two annual tranches – 50% and 50%. PSUs will notionally vest in the ordinary course in three annual tranches – 25%, 25%, and 50% respectively on the first, second, and third anniversaries of the date of grant, but will only be released on the third anniversary of grant, subject to continued employment and satisfaction of the relevant performance conditions applicable to such PSU. The Remuneration and Nomination Committee may grant awards subject to a different vesting period and release schedule, at its discretion.
Malus and Clawback	The Remuneration and Nomination Committee may decide at any time at its discretion that an employee (including Executive Directors and Senior Managers) shall in respect of their PSU award or RSU award be subject to: • a malus adjustment before an award vests, and/or • the clawback of any amount after an award vests, in accordance with the Company's applicable Malus and Clawback Policy and procedures, as amended from time to time.
Leaving the Group	In case of cessation of employment of a Participant within the Group, they will be considered: • a "bad leaver", if a Participant ceases to be employed by reason of (i) gross misconduct or (ii) resignation where the Participant joins a competitor (as determined by the Remuneration and Nomination Committee from time to time) within twelve months of the date on which they so cease to be employed (the „Termination Date“); and • a „good leaver“, if a Participant ceases to be employed for any reason other than those specified in above. For PSU awards: • if a Participant is a „bad leaver“ any outstanding awards lapse (vested and unvested portions) and any Shares received under the AIP in the twelve months prior to the Termination Date (and, if applicable, in the period between the Termination Date and the date on which the Participant joins a competitor) must (on a net of tax basis) be repaid to the Company; and • if a Participant is a „good leaver“: • subject to the bullet point below, the vested portion of the award will be released on the scheduled release date unless the Remuneration and Nomination Committee determines that the award will be released at, or immediately before, the Termination Date. The number of Shares that may be released shall be determined by reference to the extent to which the performance conditions have been met as at the release date, capped at 100% of the Shares that have vested at the Termination Date; and • in the event an individual is dismissed by the Group (other than for gross misconduct) within six months following a change to the majority of (A) the Board or (B) the management board of Allegro, within any twelve month-period, the treatment is as for the bullet point above save that: • the vested portion shall be calculated by reference to completed months served from the date of grant to the Termination Date as a proportion of the three-year vesting period (as opposed to the annual vesting schedule); and • the Shares will be released on or around the Termination Date unless no additional tax liability for the Participant would be triggered if the Shares were released on the scheduled release date. For RSU awards: • if a Participant is a „bad leaver“ no further awards shall vest and any Shares received under the AIP in the twelve months prior to the Termination Date must (on a net of tax basis) be repaid to the Issuer; and • if a Participant is a „good leaver“, no further awards shall vest unless the Remuneration and Nomination Committee exercises its discretion otherwise. For both PSUs and RSUs, if a Participant who is considered a „good leaver“ on their Termination Date later breaches their restrictive covenants, any outstanding awards held by them at that time would lapse and they would have to repay (on a net of tax basis) to the Company any Shares delivered to them under the AIP in the twelve-month period immediately prior to the breach.

The Management is committed to developing the Allegro Group in line with the multi-year planning horizon. GMV and absolute EBITDA are key metrics incentivizing the Management to stay focused on long-term growth, thus aligning long-term Shareholder and Management interests. To implement the multi-year roadmap, the Group implements annual budgeting cycles, which are anchored around the delivery of the long-term development roadmap. Short-term annual targets, which are derived from the long-term goals, provide strong incentive for the Management to stay on path towards delivery of the ambitious multi-year roadmap.

In the Short-Term Incentive program (cash bonus) targets GMV and EBITDA-based company performance indices are based on a given year's budget values. Meanwhile for the Long-Term Incentive program (AIP-PSU) the GMV and EBITDA-based performance conditions are derived from long-term targets and expressed as compound annual growth rate (CAGR). It describes the rate at which a given indicator would grow, if it grew at the same rate every year of a multi-year plan. That separates the PSU performance conditions from short-term targets by focusing them on ensuring steady, continuous and sequential improvements on a set of operational inputs, allowing for even stronger alignment of interests with our Shareholders. In addition to the upon AIP-PSU grant release, the whole set of Performance Criteria is assessed against the full-cycle targets. This means that there are no partial releases based on each closed financial year within the 3-year plan. That is why the term of notional vesting was provided in the AIP Rules.

Under the rules of the PSU plan, the Remuneration and Nomination Committee has flexibility to choose other performance conditions than those selected for the 2021, 2022, 2023 and 2024 grants if it considers other measures may be more appropriate to the circumstances impacting the Group at the relevant point in time. Accordingly, the performance measures selected may vary from annual grant to annual grant.

The AIP awards are issued in units, and for the purpose of estimating the value of a given award, units are valued in reference to the Group's stock price according to a methodology set out in the rules of the AIP, which is calculated as follows:

- Units are valued based on the average closing share price (as derived from the Warsaw Stock Exchange, rounded down to two places after the decimal (PLN1/100)) during a period of 60 dealing days ending with the dealing day before the grant date, excluding the 30-day period prior to the publication of the annual report.
- The Remuneration and Nomination Committee may, at its discretion, deem it necessary to employ another method of calculation to fairly represent the dealing price corrected for exceptional circumstances.

Calculation of grant value and number of shares presented below.

1. GRANT AMOUNT

PLN

×

%

×

Ind

Annual salary at the date of grant

AIP entitlement

Individual AIP modifier based on evaluation

2. GRANTED NUMBER OF UNITS

PLN

:

PLN

granted amount

unit price

Units are valued based on the average closing share price during a period of 60 dealing days ending with the dealing day before the grant date, excluding any period when dealings in shares are prohibited under the company's share dealing code, or any other such period.

3. NUMBER OF SHARES TO BE VESTED AFTER 3 YEARS

n

×

%

×

PSU %

Number of units

Notional vesting

3Y Performance %

This Report describes details of AIP PSU plans starting (granted) and ending (results achieved) in the Financial Year 2024:

- 2022-24 PSU – granted in 2022
- 2024-26 PSU – granted in 2024.

3.4.
2022-24 PSU – Allegro Incentive Plan – 2022 grant

The Executive Team was granted 2022 PSU Allegro Incentive Plan as part of the reward package to incentivize achievement of the long-term goals. The 2022-2024 PSU grant is a 3-year program with on-target values of 100% – 250% and, in the case of the former CEO, 300% vs annual base salary, with one calculation of payout and delivery of shares in April 2025. The Remuneration and Nomination Committee approved the performance conditions for the 2022 – 2024 PSU grant on 25th April 2022.

The assumptions for setting the targets for PSU performance conditions are:

- PSU 200% (max level) – 3 Year Plan target values.
- PSU 100% – estimated e-commerce segment growth CAGR%.
- PSU 0% (threshold level) – minimum threshold CAGR%.

Performance conditions are based on Company Performance Index for the Group, which includes Allegro, Allegro Finance, Allegro Pay, eBilet.pl, Openet, Ceneo.pl, Allegro.eu, MALL Group and We|Do. The CPI is calculated based on a 3 year Adjusted EBITDA and GMV perspective which are defined in relation to 3Y CAGR for the years 2022 – 2024 and subject to leverage conditions that could limit maximum payouts.

The 2022 – 2024 PSU performance conditions are based on the following factors and their weights:

- Group GMV – weight 50%,
- Group Adjusted EBITDA – weight 50%,
- subject to leverage KPI as trigger condition for payout above 100%.

The PSU award is valued based on 3Y CAGR performance on the agreed KPIs over the 3 financial years covered by the plan to define a level of performance between 0% and 200%. Participants then receive shares on the third anniversary of the plan (April 2025) equivalent to the original number of units awarded multiplied by the performance percentage.

Participants who have left the Group as Good Leavers prior to the third anniversary of the plan receive shares proportionate to the part of their original award which vested prior to them leaving. Furthermore, the performance condition is capped at a maximum of 100%.

The 2022 Grant has been reconciled against the original targets as set out below:

PSU 2022 Targets (baseline 2021, Targets and Thresholds reflect CAGR to FY2024)

PSU 2022 Targets (baseline 2021, Targets and Thresholds reflect CAGR to FY2024)

	2021	Threshold – 0%		Target – 100%		Max – 200%	
	PLNbn	PLNbn	CAGR	PLNbn	CAGR	PLNbn	CAGR
Group GMV	42.6	56.7	10.0%	64.8	15.0%	84.7	25.7%
% of Group GMV Target		87.5%		100%		130.7%	
Group Adjusted EBITDA	2.1	2.8	10.0%	3.1	15.0%	3.8	22.1%
% of Group adjusted EBITDA		87.5%		100%		119.6%	

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Max 200% CAGR Targets were set based on a multi-year plan

Grant performance should be estimated on the base of the current forecast of 3Y results.

Payout levels are based on the 3Y plan and CAGR-driven model:

- 200% (max award) = 3 Year Plan target values;
- 100% = value for CAGR = 15%;
- 0% (threshold) = value for CAGR = 10%.

PSU 2022 realization based on actual data

PLN bn	(Baseline)	2024 Actual data	3Y CAGR
Group GMV	42.6	64.0	14.51%
Group adjusted EBITDA	2.1	3.0	13.14%

2022 AIP PSU grant result calculation

KPI	Target CAGR 21-24 0% Threshold	Target CAGR 21-24 100% Threshold	Target CAGR 21-24 200% Threshold	Actual 3YP CAGR 21-24
Group GMV	10.00%	15.00%	25.73%	14.51%
Group adjusted EBITDA	10.00%	15.00%	22.06%	13.14%

2022 AIP PSU Performance Assessment

KPI	Performance	Realization formula	Realization
Group GMV	<100%	$(14.51-10.0)/(15-10)*100$	90.22%
Group adjusted EBITDA	<100%	$(13.14-10.0)/(15-10)*100$	62.80%
PSU Performance			76.51%

3-year growth ratios of EBITDA and GMV are between target and max level. Grant result based on those numbers is **76.51%**. Based on this multiplier the number of units provided in the table Allegro

Incentive Plan – Executive Directors will be released in April 2025 (after obtaining the positive recommendation from the Remuneration and Nomination Committee).

3.5. 2024-26 PSU – Allegro Incentive Plan – 2024 grant

The Executive Team was granted 2024 PSU Allegro Incentive Plan as part of the reward package to incentivize achievement of the long-term goals. The 2025-2027 PSU grant is a 3-year program with on-target values of 200% and, in the case of CEO, 300% vs annual base salary, with one calculation of payout and delivery of shares in April 2027 covering financial targets for the period 2024-2026, set based on the multi-year plan set in the 2023 planning round. The Remuneration and Nomination Committee approved the performance conditions for the 2024 – 2026 PSU grant on 3rd April 2024.

The assumptions for setting the targets for PSU performance conditions are:

- PSU 200% (max level) – 3 Year Plan target values,
- PSU 100% – estimated e-commerce segment growth CAGR%,
- PSU 0% (threshold level) – minimum threshold CAGR%.

Performance conditions are based on Company Performance Index for:

- GMV in Poland target / result evaluation covers GMV for Polish Operations,
- Adjusted EBITDA in Poland target / result for Polish Operations,
- GMV International target / result evaluation covers GMV for International Operations.

The CPI will be calculated based on a 3-year Adjusted EBITDA and GMV in Poland and International perspectives which are defined in relation to 3Y CAGR for the years 2024 – 2026.

The 2024 – 2026 PSU performance conditions are based on the following factors and their weights:

- 35% GMV in Poland,
- 35% Adjusted EBITDA in Poland,
- 30% GMV International (incl. Mall (1P, 3P), 3P launch).

The PSU award will be valued based on 3Y CAGR performance on the agreed KPIs over the 3 financial years covered by the plan to define a level of performance between 0% and 200%. Participants then receive shares on the third anniversary of the plan (April 2027) equivalent to the original number of units awarded multiplied by the performance percentage.

Participants who have left the Group as Good Leavers prior to the third anniversary of the plan receive shares proportionate to the part of their original award which vested prior to them leaving. Furthermore, the performance condition is capped at a maximum of 100%.

Allegro does not disclose future targets for PSU performance as these are deemed commercially sensitive. However, going forward the Group intends to provide retrospective disclosure of performance against such targets after the year-end in which a given PSU grant is settled.

3.6.
Executive Summary of PSU and RSU awards

The individual PSU and RSU awards granted, forfeited and notional vested, vested in 2021, 2022, 2023 and 2024 to Employees of the Group (including Executive Directors), all valued using the prescribed valuation methodology based on recent trading, are presented in the tables below:

						Information regarding the reported financial year														
The main conditions of share award plans						Opening balance (01.01.2024)				PSU Performance				During the year					Closing balance (31.12.2024)	
Name of Director	Specification of plan	Performance measurement period	Grant date	Vesting dates ^[1]	Unit price at grant date (PLN per unit)	Number of units granted	Number of units vested	No of shares released	Number of units subject to a performance conditions	Performance conditions assesment	Final no of shares to be released	Release date	Number and market value ^[3] of units granted	Number and market value ^[4] of units vested	Number of units forfeited ^[6]	Number of units to be released (before PSU % applica-tion)	Number and market value of shares released (after PSU % application) [reported as remuneration in 2024 in section 4]	Number of units granted	Number of units vested	
Roy Perticucci	AIP-PSU	01.01.2023 – 31.12.2025	11.04.2023	11.04.2024	29.92	353,110	0	0	353,110	will be assessed in 2026	will be assessed in 2026	11.04.2026	0	88278 2,777 kPLN	176,554		0	0	88,278	
				11.04.2025																
				11.04.2026																
		01.01.2024 – 31.12.2026	04.04.2024	04.04.2025	31.24	0	0	0	325,251	will be assessed in 2027	will be assessed in 2027	04.04.2027	32,5251 10,161 kPLN	0	243,938		0	325,251	0	
				04.04.2026																
				04.04.2027																
	AIP-RSU Special Award ^[2]	n/a	03.10.2022	11.04.2023	25.85	330,525	82,631	82,631	—	—	—	—	0	82,631 2,599 kPLN	0		82,631 2,599 kPLN	0	165,262	
11.04.2024																				
11.04.2025																				
Jonathan Eastick	AIP-PSU	01.01.2021 – 31.12.2023	04.04.2021	04.04.2022	66.64	23,987	11,994	0	23,987	113.86%	27,312	04.04.2024	0	11,993 380 kPLN	0	23,987	27,312 865 kPLN	0	23,987	
				04.04.2023																
				04.04.2024																
			01.01.2022 – 31.12.2024	26.04.2022	11.04.2023	32.28	94,889	23,723	0	94,889	76.51%	72,600	11.04.2025	0	23,722 746 kPLN	0		0	0	47,445
					11.04.2024															
					11.04.2025															
		01.01.2023 – 31.12.2025	11.04.2023	11.04.2024	29.92	117,116	0	0	117,116	will be assessed after 2025 closing	will be assessed after 2025 closing	11.04.2026	0	29,279 921 kPLN	0		0	0	29,279	
				11.04.2025																
				11.04.2026																
		01.01.2024 – 31.12.2026	04.04.2024	04.04.2025	31.24	0	0	0	140,209	will be assessed in 2027	will be assessed in 2027	04.04.2027	140,209 4,380 kPLN	0	0		0	140,209	0	
				04.04.2026																
04.04.2027																				
AIP-PSU Special Award	01.01.2022 – 31.12.2023	06.07.2022	11.04.2024	24.12	49,752	0	0	49,752	0.00%	0	no release	0	49,752 1,565 kPLN	0		0	0	49,752		

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Information regarding the reported financial year																			
The main conditions of share award plans					Opening balance (01.01.2024)			PSU Performance					During the year					Closing balance (31.12.2024)	
Name of Director	Specification of plan	Performance measurement period	Grant date	Vesting dates ^[1]	Unit price at grant date (PLN per unit)	Number of units granted	Number of units vested	No of shares released	Number of units subject to a performance conditions	Performance conditions assesment	Final no of shares to be released	Release date	Number and market value ^[3] of units granted	Number and market value ^[4] of units vested	Number of units forfeited ^[6]	Number of units to be released (before PSU % application)	Number and market value of shares released (after PSU % application) ^[5] [reported as remuneration in 2024 in section 4]	Number of units granted	Number of units vested
Francois Nuyts	AIP-PSU	01.01.2021 – 31.12.2023	04.04.2021	04.04.2022	66.64	163,949	40,988	0	40,988	113.86%	46,669	04.04.2024	0	0	0	40,988	46,669	0	40,988
				04.04.2023													1,477 kPLN		
				04.04.2024															

[1] In case of PSU awards, vesting dates indicated in the table are dates of notional vesting, which is when the Executive Director or Key Manager becomes notionally entitled to have shares transferred to them (or their nominee) in the event of them becoming a Good Leaver, subject to the satisfaction of applicable performance conditions.

[2] The AIP-RSU Special Award granted to Roy Perticucci on joining the Group in 2022.

[3] The gross value of shares granted in 2024 is calculated using an average share price from 60 days prior to grant date.

[4] The gross value of shares vested in 2024 is calculated using a spot share price at vesting date.

[5] For administrative efficiency, the Remuneration and Nomination Committee may use its discretion to vary the Release Date to deliver all awards vesting in a given month to various AIP participants on a single date during that month.

[6] As a Good Leaver Roy Perticucci will be entitled to the tranches that will notionally vest in 2025.

NOTE

Information provided above includes only Executive Directors.

Allegro Incentive Plan – costs incurred in 2024 calculated in compliance with IFRS2

Name of Director	The main conditions of share award plans						Information regarding the reported financial year
	Specification of plan	Performance measurement period	Grant date	Award Date ^[1]	Vesting dates ^[2]	Unit spot price at award date	Costs incurred in 2024 calculated in compliance with IFRS2 (kPLN)
Roy Perticucci	AIP-PSU	01.01.2023 – 31.12.2025	11.04.2023	11.04.2023	11.04.2024 11.04.2025 11.04.2026	30.51 PLN per unit	326.73
		01.01.2024-31.12.2026	04.04.2024	04.04.2024	04.04.2025 04.04.2026 04.04.2027	31.66 PLN per unit	2,256.16
	AIP-RSU Special Award ^[3]	n/a	03.10.2022	30.09.2022	11.04.2023 11.04.2024 11.04.2025	21.55 PLN per unit	1,679.43
	Subtotal						4,262.32
	Jonathan Eastick	AIP-PSU	01.01.2021 – 31.12.2023	04.04.2021	01.04.2021	04.04.2022 04.04.2023 04.04.2024	56.06 PLN per unit
01.01.2022 – 31.12.2024			26.04.2022	11.04.2022	11.04.2023 11.04.2024 11.04.2025	28.36 PLN per unit	212.08
01.01.2023 – 31.12.2025			11.04.2023	11.04.2023	11.04.2024 11.04.2025 11.04.2026	30.51 PLN per unit	961.80
01.01.2024-31.12.2026			04.04.2024	04.04.2024	04.04.2025 04.04.2026 04.04.2027	31.66 PLN per unit	1,925.22
AIP-PSU Special Award		01.01.2022 – 31.12.2023	06.07.2022	05.07.2022	11.04.2024	22.82 PLN per unit	0.00 ^[4]
Subtotal							3,201.39
Total							7,463.71

[1] The award date is a date at which the entity and an employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.

[2] In case of PSU awards, vesting dates indicated in the table are dates of notional vesting, which is when the Executive Director becomes notionally entitled to have shares transferred to them (or their nominee) in the event of them becoming a Good Leaver, subject to the satisfaction of applicable performance conditions.

[3] The AIP-RSU Special Awards granted to Roy Perticucci while joining the Group in 2022.

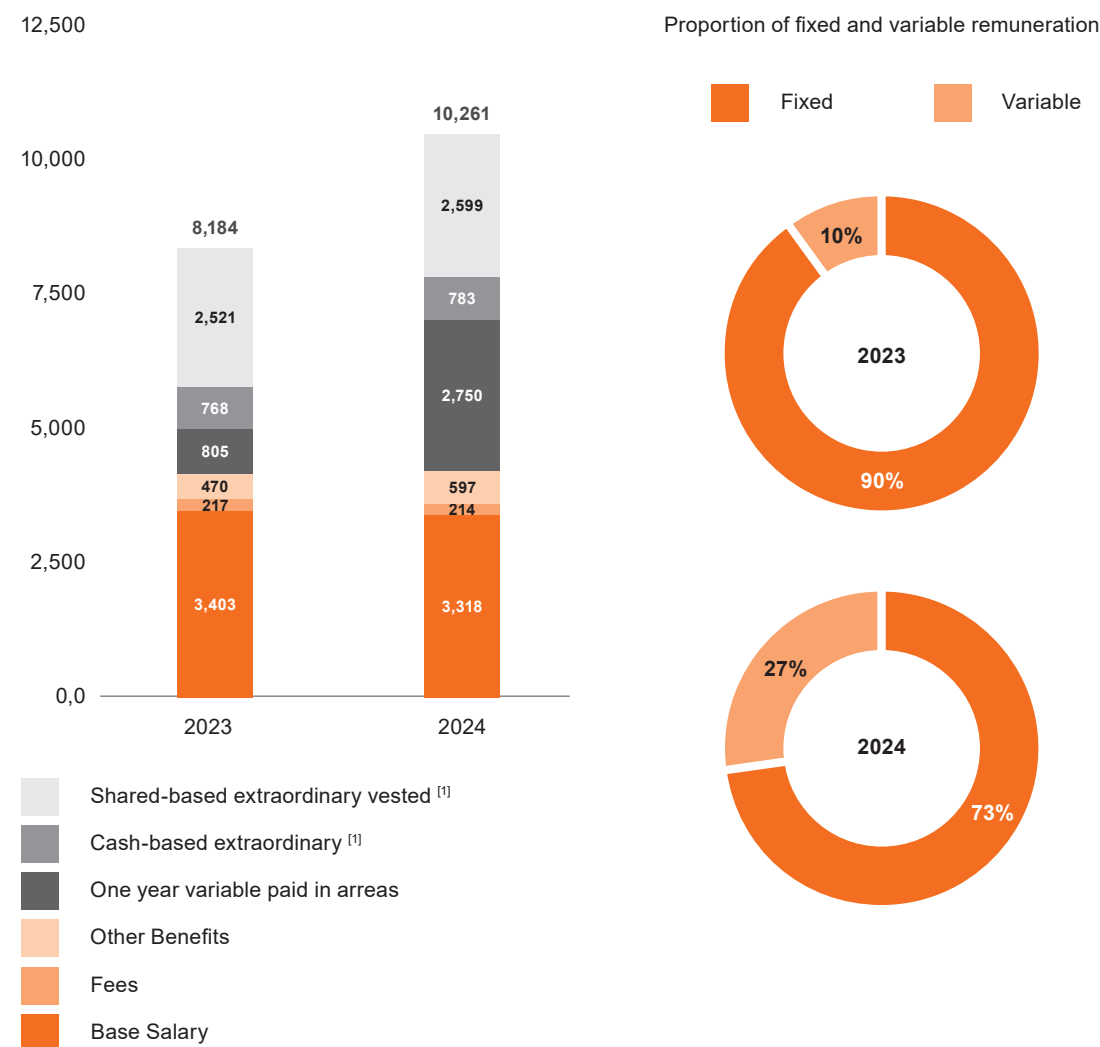
[4] The IFRS2 cost of 0.00 PLN incurred for AIP-PSU Special Award is because the Performance Conditions' threshold value has not been met.

4.

Remuneration statement for Executive Directors paid in 2024 and 2023

Roy Perticucci

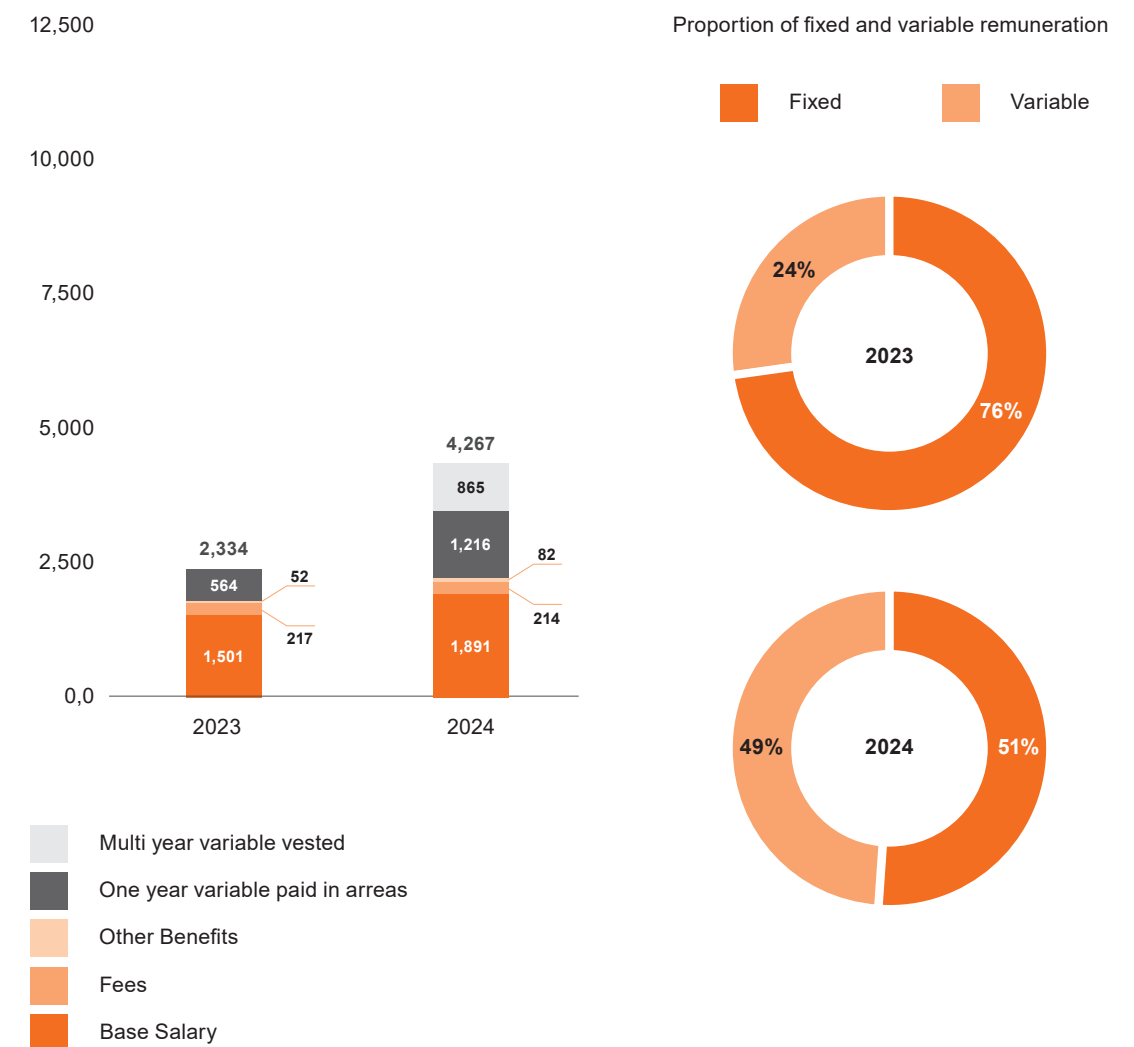
Executive Director (21.09.2022 –)



[1] Extraordinary items may include cash or share-based compensation for or buy out from a new joiner's contract in their previous employment. Any share-based extraordinary compensation received is valued on the basis of the spot price of shares on the date received.

Jonathan Eastick

Group CFO, MM (01.02.2018 –)



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Name of Director	Company	Position (date of appointment – resignation from the Board of Directors)	Year	Fixed Remuneration			Variable Remuneration		Extraordinary item ^[3]			Total Remuneration	Proportion of fixed and variable remuneration	
				Base Salary	Fees	Other Benefits	One year variable accrued ^[1]	Multi year variable ^[2]	Cash-based	Extraordinary item ^[3]	Pension Expenses		Fixed	Variable
Roy Perticucci	Allegro.eu	Executive Director (21.09.2022 –)	2023		217							217	100%	0%
		Executive Director (21.09.2022 –)	2024		214							214	100%	0%
	Allegro	Group CEO, MBM (01.09.2022 –)	2023	3,403		470	805		768	2,521		7,967	90%	10%
		Group CEO, MBM (01.09.2022 –)	2024	3,318		597	2,750		783	2,599		10,047	73%	27%
Jonathan Eastick	Allegro.eu	Executive Director (01.09.2020 –)	2023		217							217	100%	0%
		Executive Director (01.09.2020 –)	2024		214							214	100%	0%
	Allegro	Group CFO, MBM (01.02.2018 –)	2023	1,501		52	564					2,117	73%	27%
		Group CFO, MBM (01.02.2018 –)	2024	1,891		82	1,216	865				4,054	49%	51%
Francois Nuyts	Allegro.eu	Executive Director (01.09.2020 – 31.08.2022)	2023									0	—	—
		Executive Director (01.09.2020 – 31.08.2022)	2024									0	—	—
	Allegro.eu	Group CEO, MBM (01.08.2018 – 31.08.2022)	2023				2,547					2,547	0%	100%
		Group CEO, MBM (01.08.2018 – 31.08.2022)	2024					1,477				1,477	0%	100%

Remuneration for Roy Perticucci recalculated into PLN from EUR

The amount of total bonus accrual for Executive Directors for 2024 is 4,502 kPLN

[1] Short – term variable remuneration: an annual bonus. Actual bonus amount paid in arrears.

[2] Long – term variable remuneration: Allegro Incentive Plan – Performance Share Units – AIP award amounts presented above are the gross value of tranches vested in the Reported Year, calculated based on share spot price at vesting date. Data already includes PSU actual performance The vested units are released even if the Executive Director leaves the organization, if they qualify as a “Good Leaver” according to the AIP policy. The cost incurred in 2024 in compliance with IFRS2 standards can be reviewed in the table in section 5.3.6. Executive Summary of PSU and RSU awards.

[3] Extraordinary items may include cash or share-based compensation for or buy out from a new joiner's contract in their previous employment. Any share-based extraordinary compensation received is valued on the basis of the spot price of shares on the date received.

NOTE

Roy Perticucci resigned from his role at the Board with effect from the next AGM (at the latest), but will remain employed until October 2025 and between AGM and October, he will assist on smooth handover of his duties to his successor at CEO role; Afterwards he will continue to support Allegro as external independent advisor for the next 12 months, during which he will remain to be bound by a 12-month non-compete undertaking.

By the termination date as CEO, Roy Perticucci will remain entitled to full base salary and his STI for 2024 and 2025 will be payable at normal payout dates, be subject to CPI and his individual performance and bonus for 2025 will be prorated to the period of employment. No additional severance will be paid.

The table above presents a cash-flow perspective and actual shares vesting which is a different approach than the accounting perspective used in the Consolidated Financial Statements. Therefore, those numbers are not reconciled in this Report.

5.

Remuneration of Non-Executive Directors

The Non-Executive Chairman of the Board is entitled to an all-inclusive fixed fee. Other Non-Executive Directors receive varying fixed fees that depend on the function performed, Non-Executive Directors performing functions in committees are entitled to additional fees:

The amount of remuneration of Non-Executive Directors was determined considering the objective of ensuring their independence and their competence in supervision over the Group's activities.

Non-Executive Directors are not entitled to any form of variable remuneration and none of their remuneration components are linked to

- options or other derivatives or any other variable components; or
- the Group's results.

The independent Non-Executive Directors did not receive any variable remuneration (including any shares, award shares, performance bonus).

Remuneration recalculated into PLN from EUR.

[1] For those non-Executive Board members who were nominated in accordance with Art 9.9 sentence 2 of the Allegro.eu Articles of Association no fees or benefits were paid in connection with the appointments.

[2] 100k EUR for 2023 and 27.42k EUR paid in 2023 for 2022

[3] includes corrections for 2023 and 2024 paid in 2025

Remuneration statement for Non-Executive Directors for 2024 and 2023 (in kPLN*)

Name of Director (date of appointment – resignation from the Board of Directors)	Position	Year	Fixed Remuneration			Variable Remuneration				Total Remunera- tion	Proportion of fixed and variable remuneration	
			Base Salary	Fees	Other Benefits	One year variable	Multi year variable	Extraordi- nary item	Pension Expenses		Fixed	Variable
Darren Huston (12.05.2017 – 26.06.2024)	Chairman, Non-Executive Director	2023		1,304						1,304	100%	0%
		2024		641						641	100%	0%
Clara (dit Carla) Smits-Nusteling (01.09.2020 – 26.06.2024)	Independent Non-Executive Director	2023		535						535	100%	0%
		2024		263						263	100%	0%
David Barker ^[1] (01.09.2020 –)	Non-Executive Director	2023		0						0	—	
		2024		0						0	—	
Nancy Cruickshank (01.09.2020 –)	Independent Non-Executive Director	2023		478						478	100%	0%
		2024		470						470	100%	0%
Paweł Padusiński (01.09.2020 – 26.06.2024)	Non-Executive Director	2023		0						0	—	
		2024		0						0	—	
Richard Sanders ^[1] (01.09.2020 –)	Non-Executive Director	2023		0						0	—	
		2024		0						0	—	
Pedro Arnt ^[2] (22.06.2022 –)	Independent Non-Executive Director	2023		554						554	100%	0%
		2024		427						427	100%	0%
Catherine Faiers (12.05.2023 –) ^[3]	Independent Non-Executive Director	2023		274						274	100%	0%
		2024		419						419	100%	0%
Tomasz Suchański (12.05.2023 –) ^[3]	Independent Non-Executive Director	2023		274						274	100%	0%
		2024		419						419	100%	0%
Gary McGann (26.06.2024 –)	Chairman, Non-Executive Director	2023		0						0	—	
		2024		855						855	100%	0%
Laurence Bourdon-Tracol (26.06.2024 –) ^[3]	Independent Non-Executive Director	2023		0						0	—	
		2024		246						246	100%	0%



6. Comparative information on the remuneration and Company's performance

As the table in the previous section presents a cash-flow perspective and actual shares vesting which is a different approach than the accounting perspective used in the Financial Statement. Therefore, those numbers are not reconciled in this Report.

The table below sets out the annual remuneration of Executive Directors, Non-Executive Directors and Key Managers, of the performance of the Company and of the average total annual remuneration of employees of the Company and the Group other than Executive Directors and Non-Executive Directors in 2020-24.

Annual Change		2024-2023 YoY change (in %)	2024-2023 YoY change (in kPLN)	2023-2022 YoY change (in %)	2023-2022 YoY change (in kPLN)	2022-2021 YoY change (in %)	2022-2021 YoY change (in kPLN)	2021-2020 YoY change (in %)	2021-2020 YoY change (in kPLN)	2024 (in kPLN)	2023 (in kPLN)	2022 (in kPLN)	2021 (in kPLN)	2020 (in kPLN)
Director's total remuneration (from all Legal Entities)														
Roy Perticucci	Group CEO, MBM (01.09.2022 –), Executive Director (21.09.2022 –)	25.37%	2,077	408.19%	6,574	N/A	1,610	N/A	0	10,261	8,184	1,610	0	0
Francois Nuyts	Group CEO, MBM (01.08.2018 – 31.08.2022), Executive Director (01.09.2020 – 31.08.2022)	-42.01%	-1,070	-68.47%	-5,532	-37.55%	-4,858	61.9%	4,948	1,477	2,547	8,079	12,937	7,989
Jonathan Eastick	CFO (01.02.2018 –) Executive Director (01.09.2020 –)	82.83%	1,933	-3.42%	-83	-17.97%	-530	65.8%	1,169	4,267	2,334	2,417	2,946	1,777
Darren Huston	Darren Huston (12.05.2017 – 26.06.2024)	-50.85%	-663	-7.27%	-102	2.64%	36	185.7%	891	641	1,304	1,406	1,370	480
Clara (dit Carla) Smits-Nusteling	Clara (dit Carla) Smits-Nusteling (01.09.2020 – 26.06.2024)	-50.88%	-272	-7.21%	-42	2.65%	15	208.3%	380	263	535	577	562	182
David Barker	Non-Executive Director (01.09.2020 –)	0.00%	0	0.00%	0	0.00%	0	0.0%	0	0	0	0	0	0
Nancy Cruickshank	Independent Non-Executive Director (01.09.2020 –)	-1.67%	-8	-8.55%	-45	5.98%	30	208.3%	333	470	478	523	493	160
Paweł Padusiński	Paweł Padusiński (01.09.2020 – 26.06.2024)	0.00%	0	0.00%	0	0.00%	0	0.0%	0	0	0	0	0	0
Richard Sanders	Non-Executive Director (01.09.2020 –)	0.00%	0	0.00%	0	0.00%	0	0.0%	0	0	0	0	0	0
Pedro Arnt	Independent Non-Executive Director (22.06.2022 –)	-22.87%	-127	372.70%	437	N/A	117	N/A	0	427	554	117	0	0
Catherine Feiers	Catherine Faiers (12.05.2023 –) ^[1]	52.96%	145	N/A	274	N/A	0	N/A	0	419	274	0	0	0
Tomasz Suchański	Tomasz Suchański (12.05.2023 –) ^[1]	52.96%	145	N/A	274	N/A	0	N/A	0	419	274	0	0	0
Gary McGann	Gary McGann (26.06.2024 –)	N/A	855	N/A	0	N/A	0	N/A	0	855	0	0	0	0
Laurence Bourdon-Tracol	Laurence Bourdon-Tracol (26.06.2024 –) ^[1]	N/A	246	N/A	0	N/A	0	N/A	0	246	0	0	0	0
Daniele Arendt	Non-Executive Director (05.05.2017 – 12.10.2020)	N/A	0	N/A	0	N/A	0	0.0%	0	0	0	0	0	0
Gautier Laurent	Non-Executive Director (05.05.2017 – 12.10.2020)	N/A	0	N/A	0	N/A	0	-100.0%	-160	0	0	0	0	160
Séverine Michel	Non-Executive Director (05.05.2017 – 12.10.2020)	N/A	0	N/A	0	N/A	0	0.0%	0	0	0	0	0	0
Cédric Pedoni	Non-Executive Director (05.05.2017 – 12.10.2020)	N/A	0	N/A	0	N/A	0	0.0%	0	0	0	0	0	0
Gilles Willy Duroy	Non-Executive Director (17.10.2019 – 12.10.2020)	N/A	0	N/A	0	N/A	0	0.0%	0	0	0	0	0	0
Total		19.78%	3,260	11.92%	1,755	-19.55%	-3,579	70.3%	7,560	19,744	16,484	14,729	18,308	10,748
Group's Performance														
GMV (mPLN)		9.59%	5,596	11.20%	5,878	23.22%	9,894	21.33%	7,491	63,969	58,373	52,496	42,602	35,111
EBITDA (kPLN)		17.27%	416,920	20.67%	413,561	0.34%	6,795	25.64%	406,908	2,831,017	2,414,097	2,000,536	1,993,740	1,586,833
Average annual remuneration of employees other than Executive Directors, Non-Executive Directors and Key Managers														
Total Remuneration		5.50%	9	14.16%	21	18.82%	23	-1.04%	-1	176	167	146	123	125

[1] includes corrections for 2023 and 2024 paid in 2025

7.

Diversity and Inclusion

The company is strongly committed to equality, diversity and inclusion and promotes the values of transparency and fairness in organizational practices. We want to embrace a culture where everyone, regardless of their personal and professional identity and characteristic is respected, can develop, grow and contribute to Allegro's success. We recognise differences as well as similarities which help us create an inspiring and inclusive workplace that can achieve competitive advantage.

We create an inclusive work environment, free from discrimination, harassment and prejudice, one that fosters equitable treatment and supports development of everyone. We support Allegro's commitment to diversity and inclusion through behaviors underpinned by respect, kindness, tolerance and principles of ethics. All employees become familiar with those principles as part of the onboarding process and through regular training. All policies and procedures are reviewed at least once a year and updated in connection with the changing environment, law and the scope of the Group's activities if needed.

The main measures to support our commitment to diversity and inclusion are:

- Adoption of group wide regulations to continuously improve our standards and grow awareness about company approach to diversity and inclusion:
- Code of Ethics and Conduct (2024) with a clear company statement about diversity and inclusion being core values of the organization.
- Diversity Policy (2020) that among others enables reporting of any inappropriate conduct and irregularities under the Whistleblowing Procedure.
- Policy of Counteracting Undesirable Phenomena such as discrimination, harassment, bullying and violence (2016).
- Whistleblowing Procedure (2016) which applicability was extended by Allegro also to reporting and investigating undesirable phenomena at work (2020).

- Embracing equity and fairness in our people related processes and policies throughout the employee lifecycle in the organization
- our employees are treated equally and fairly, regardless of their sex, gender identity, age, race, employment form, political views, sexual orientation, disability, health, nationality, ethnic origin, religion, denomination, non-denominational status, belief, union membership, family status or lifestyle, etc.
- our people related processes and policies are based on objective and substantive criteria to provide equitable experience to all candidates and employees.
- any decisions we make when recruiting, hiring, evaluating performance, promoting, reviewing pay and making compensation decisions, offering development and internal mobility opportunities, etc., are based on knowledge and competencies of the concerned candidates and employees through which we strive for minimizing the risk of biased behaviors.
- Communication, awareness raising and training programs that promote diversity and inclusion:
 - we inform about Allegro benchmarks in diversity and inclusion on dedicated intranet websites: Employee Relations Website, Diversity & Inclusion Website, Risk & Compliance Website.
 - we support diversity and inclusion initiatives such as DareIT, Hackathon Accessibility, Poznań Mentoring Walk, Leadership by Design Program for aspiring female leaders, AllWomen.
- we provide a set of DEI webinars and training, which help building inclusive and diverse working environment (to start with onboarding trainings for new people leaders).
- we consider diversity when selecting members of the Board.
- we develop initiatives to encourage more women choosing careers in technology: Advancing Your Career in Technology – Building Your Brand and Network, Health and Wellness, Entrepreneurship and Innovation – Women Leading the Change, Celebrating Success Stories of Women in 2025, Mastering Communication – Winning Strategies in Verbal and Non-Verbal Interactions.
- Corporate functions and bodies supporting and monitoring consistence with company's obligations in the context of the diversity and inclusion:
 - Employee Relations Manager – additional communication channel for employees and Employee Representatives to address their concerns related to inclusion and diversity in the context of potential discriminatory treatment.
 - Ethics Committee – a body which examines reports concerning undesirable phenomena at work, conducts investigative activities and formulates proposals of action to be submitted to the competent management board of the Allegro Group company concerned by the report.
 - Senior Manager, Group Total Rewards performing annual equal pay audit; monitoring and reporting on gender pay gap and implementing actions to narrow the gap.

For further details concerning Diversity and Inclusion in the Company please refer to section S1 Own workforce in the Sustainability Statement of this Report.

8.

Application of the Remuneration Policy

The remuneration paid to the Directors and Key Managers of the Company is in line with the objectives of the Remuneration Policy of the Company and does not deviate from the Remuneration Policy.

The remuneration of Directors is:

- sufficient and conform to the Director's dedication, qualification, and responsibilities but it does not compromise their independence.
- sufficient to attract and retain directors with the talent and profile desired by the Company.
- competitive, which is achieved by establishing a remuneration package in line with market standards of comparable sectors and companies.
- considers the current financial situation of the Company.



This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

allegro

SUSTAINABILITY OUTLOOK



Letter from the Chair of the ESG Committee

Dear shareholders,

25 years since its launch, Allegro has become not only a flywheel of the Polish economy, generating about 1% of Poland's Gross Domestic Product (GDP), but also one of the largest e-commerce players of European origin. At Allegro, we believe that environmental, social, and governance issues are a fundamental part of our obligations to the users of the Allegro platform, business partners, merchants, and society at large. Allegro Group aims to set the benchmark for best practice in the industry, firmly asserting that these commitments promote positive economic development and uphold ethical principles. Beyond being an important obligation to our key stakeholders, this work will also ensure that Allegro can attract high-performing, diversified talent, securing the future success of the Group.

In 2024, the Allegro Group embarked upon a significant phase of transformation. We have rejuvenated our Environmental, Social, and Governance (ESG) and decarbonization strategy to align with the evolving needs of the Allegro Group. We have actively engaged with stakeholders across the business to gain insight into the management and delivery of these priorities. This process is integral to the continuous advancement of our strategy. As part of this approach, the Allegro Group has established a dedicated ESG Committee to integrate

sustainability and DE&I initiatives as part of our overall business strategy. The Committee is tasked with overseeing the identification, management and delivery of our ESG goals, and brings focus to the achievement of these commitments. Beyond the establishment of the Committee, we have also integrated ESG criteria into our Short Term Incentive programme.

For 2024, the ESG Committee approved five strategic targets in the area of ESG.

- Packaging - we set an ambitious goal to ensure that 68% of our packaging materials in our operations are sustainable (based on the Allegro Group definition of a parcel without additional packaging or with each component of the packaging being recyclable). I am pleased to report that Allegro Group not only met but surpassed this target, achieving a 70% sustainability rate.
- Greenhouse gas emissions – we aimed to reduce our greenhouse gas emissions and I am delighted to share that we achieved an 19% emission reduction in Scope 1 and 2 compared to the previous year, attributed to energy efficiency and the use of renewable energy in our operations.

Catherine Faiers

Independent
Non-Executive
Director and
Chair of the ESG
Committee



- Equal pay gap – we aim to maintain this consistently below 5%, our objectives for 2024 were met, and we achieved an equal pay gap of 3%.
- Cybersecurity – we committed to provide cybersecurity training to over 80% of our employees and we achieved a level of 89%. Cybersecurity is one of the risks identified for Allegro as a leading technology business.
- Merchant growth – by the end of 2024, we exceeded our annual target by reaching 167 thousand merchants (growth of 12% year on year), primarily composed of small and medium enterprises (SMEs), which are the backbone of our business and contribute significantly to the Polish economy.

We are also committed to charitable endeavours and leverage our technology platform to benefit society by supporting charities and non-governmental organizations. In 2024, the Allegro Charity successfully raised nearly PLN 60 million, engaging 488 non-governmental organizations and facilitating numerous charitable initiatives, making a significant impact on social causes in Poland.

In addition, we prepared for the new ESRS reporting in accordance with the Corporate Sustainability Reporting Directive. I am delighted to present our Sustainability Statement, which outlines the progress and accomplishments of the Allegro Group in the domains of environmental, social, and governance (ESG) concerns.

As we move forward to 2025, there will be a shift from the focus on ESRS reporting (which will remain as part of ongoing activity) to a bigger focus on long term strategy and stakeholder engagement. This change will necessitate stronger relationships and collaboration among employees, merchants, and suppliers, fostering an ecosystem built on trust and mutual benefits. By prioritizing these connections, we believe organizations, including Allegro can effectively adapt to future challenges and seize opportunities for sustainable growth.

1.

ESG 2024 performance

The Allegro Group pursues its strategic targets within four areas of action defined in the strategy. Achieving these targets brings the Allegro Group closer to becoming a more sustainable organization, where business development aligns with a strong organizational culture that values people and minimizes negative impacts on the natural environment.

Sustainability 2024 performance

Strategic pillar	2024 Target	2024	2023	Change vs Target	Change vs base year
All4 People	Equal pay gap below 5%	3%	No data for Allegro Group	-2pp 	No base year
All4 Planet	68% sustainable packaging in own operations	70%	49%	+2pp 	+21pp (2023) 
	17k tCO ₂ e in own operations	14.0k tCO ₂ e	17.3k tCO ₂ e	-17% 	-1% (2021) 
All4 Prosperity	160 thousand merchants on the Allegro's platforms	167 thousand	149.6 thousand	+4% 	+12% (2023) 
Good Governance	80% employees trained for cybersecurity from 2024	89%	58%	+9pp 	+31pp (2023) 

2.

Sustainability Statement

2.1. General information

BASIS FOR PREPARATION

GENERAL BASIS FOR PREPARATION

[BP-1]

This Sustainability Statement regarding Allegro.eu has been prepared in accordance with the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 European Corporate Sustainability Reporting Directive (CSRD), Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, and Regulation (EU) 2020/852 of the European parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

The document has been prepared in consolidated form and the scope of the Sustainability Statement is the same as the one of the Allegro Group's consolidated financial statements (the parent company and entities belonging to Allegro Group as of December 31, 2024). The document concerns

the Allegro Group's own operations and upstream and downstream value chain within the scope of identified impacts, risks and opportunities. Allegro Group's value chain analysis included merchants (third party, 3P), suppliers for its own shop (First party, 1P), packaging in Fulfillment centers (One Fulfillment, 1F), and services for the marketplace platform ecosystem like IT, payments, and transport. With regards to downstream value chain, the focus was on product transportation to final customers and product usage until end-of-life.

In its Sustainability Statement, Allegro.eu does not make use of the omission of disclosures due to the protection of intellectual property, know-how, and innovation results. Nor has the omission of disclosures regarding expected events or matters subject to ongoing negotiations been applied, in accordance with Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

[BP-2]

Despite the non-transposition of the CSRD directive in Luxembourg law, under which this Statement is submitted, the Allegro Group has decided to voluntarily prepare its Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS). The statement has undergone independent limited assurance, even though this is not required by Luxembourg law. Additionally, there were no other special circumstances that would have influenced the preparation of the 2024 Sustainability Statement. Due to the implementation of the European Sustainability Reporting Standard, the Sustainability Statement includes required data for the base year and 2024. For selected metrics, the data from 2023 has been added as a comparative information. Most of Allegro Group’s quantitative data is sourced directly from its systems. When data is gathered through other means, such as estimation or extrapolation within its value chain, it is clearly noted. In crafting the Sustainability Statement, Allegro Group utilized assumptions, judgments, and estimates that affect reported amounts, particularly with Scope 3 emissions and municipal waste, leading to inherent uncertainty in calculations. These estimates are grounded in historical experience and other reasonable factors. Allegro Group consistently reviews and updates these estimates to improve accuracy in future reports. To enhance emissions accuracy, the Allegro Group seeks to collect primary-source data from suppliers and reduce reliance on assumptions as better data sources become available. For more details on the estimates and assumptions applied, please refer to the disclosures in the subsequent sections of this Sustainability Statement.

The Allegro Group uses definitions for short, medium, and long term, assuming up to 1 year as the short term time horizon, 1-5 years as the medium term, and 5-10 years as the long term time horizon.

The time horizon is fully integrated with the Allegro Group’s Enterprise Risk Management (ERM).

In 2024, the Allegro Group changed its target related to greenhouse gases (GHG) reduction. Along with the change in target, the emissions for the baseline year were recalculated. Details regarding this change are described in chapter E1 Climate change. Changes were also made to the methodology for calculating Category 11 of Scope 3 emissions, which is outlined in chapter E1 Climate change, and EU Taxonomy 2023 data, which is outlined in chapter The EU Taxonomy disclosures.

The Allegro Group discovered a mathematical mistake in its selected reported comparative figures. The comparative data has been appropriately restated and presented in chapter E1 Climate change.

The Allegro Group has restated its Taxonomy data for 2023. This change aims to accurately reflect European Union (EU) Taxonomy related activities, which has been taken into account in the EU Taxonomy disclosures. The details are presented in The EU Taxonomy disclosures chapter.

The Report contains Task Force on Climate-related Financial Disclosures(TCFD) and SFDR (Sustainable Finance Disclosures Regulation) indicators as well as entity specific indicators. The Report contains references to the Warsaw Stock Exchange ESG and the European Bank for Reconstruction and Development (EBRD) ESG Reporting Guidelines. The Report also includes references to the Sustainable Development Goals (SDGs).

In preparing the sustainability statement, Allegro Group has chosen to include the following information by reference to other parts of the Management Report:

References to Management Report

The role of the administrative, management and supervisory bodies	Management Review, chapter III Corporate Governance
Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Management Review, chapter III Corporate Governance
Strategy, business model	Management Review, chapter III Corporate Governance
Risk management	Management Review, chapter IV Risk management system, Risk factors, and regulatory matters
List of material Disclosure Requirements	Appendix

We made use of the following phased-in disclosure requirements in line with ESRS 1 Appendix C: Anticipated financial effects (E1-9, E5-6).

LIST OF MATERIAL DISCLOSURE REQUIREMENTS

[IRO-2]

In the 2024 Sustainability Statement, the Allegro Group discloses information resulting from a double materiality analysis and identifies specific material topics. The Statement presents strategic goals and policies aimed at managing impacts and mitigating risks. The described actions aim to demonstrate the methods and effects of implementing the provisions arising from these policies, which serve to manage

significant impacts, risks, and opportunities. With the information contained in the Sustainability Statement, users can understand the reasons behind the decisions made, the goals set, and the actions undertaken by Allegro Group. The list is presented in the Appendix.

BUSINESS MODEL

[SBM-1]

The Allegro Group is the go-to online marketplace for consumers in Poland, the Czech Republic, Slovakia, and Hungary for merchants all over the world, with Allegro.eu acting as the holding company (together with all of its subsidiaries, known as the "Allegro Group"). The detailed description of the business model, significant groups of offered

services, the markets served, as well as the number of employees, are included in the Management Review, in chapter III.

The Allegro Group has identified that its operations are associated with two ESRS sectors: Transportation, Sales and Trade. The other comes from mainly marketplace (3P) activities.

Revenue by significant ESRS sector [mPLN]

Sector	2024 total revenue and other operating income
Transportation	234
Sales and Trade	1,669
Other	9,037
Total revenue	10,940

The Allegro Group does not identify any additional significant ESRS sectors beyond those already mentioned above. Any activities that could generate intercompany revenues are consistent with the previously defined sectors in which the Group develops significant operations or has potential connections with significant influences. Therefore, in conducting the materiality assessment and dis-

closing information, the Allegro Group does not indicate the existence of other ESRS sectors that could generate significant intercompany revenues. Additionally, Allegro Group does not engage in activities related to the fossil fuel sector (coal, oil, and gas), chemical production, controversial types of weapons, or the cultivation and production of tobacco.



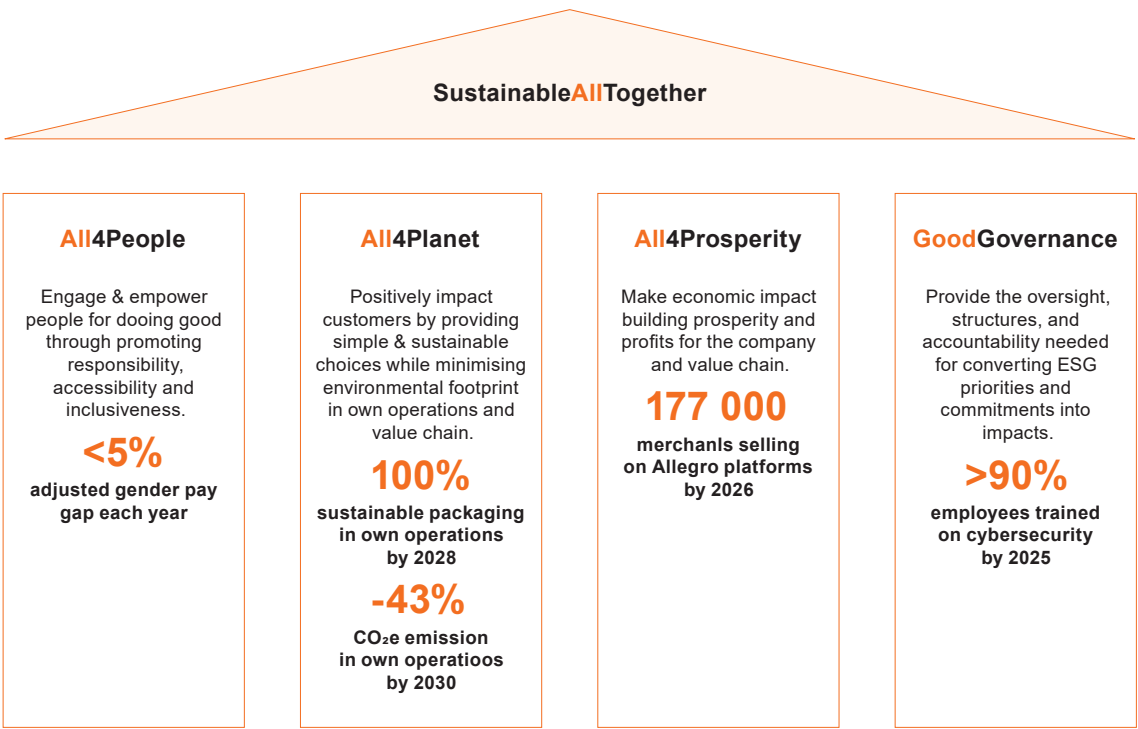
Poland
Czechia
Slovakia
Hungary
Slovenia
Croatia

ESG STRATEGY

[GOV-1] [SBM-1] [SBM-3]

Allegro Group integrates ESG principles to reduce environmental impact while promoting accountability and transparency. This approach aims to achieve both short-term commercial success and long-term value, showing that global stewardship and responsibility can coexist. The Allegro Group's strategy integrates key initiatives and projects aimed at minimizing risks and negative impacts on the environment and society, while maximizing positive influences on the surroundings and leveraging opportunities that the Allegro Group faces in the context of sustainable development.

To clearly define sustainability priorities, an #SustainableAllTogether ESG strategy was adopted. It reflects the connection between business strategy and ESG topics. Through the pillars: All4People, All4Planet, and All4Prosperity, supported by the Good Governance area, Allegro Group is committed to deliver a sustainable future to the entire value chain that extends beyond its immediate operations. This ESG strategy makes a difference in sustainability impact in implementation of Allegro vision – to be the most loved online shopping destination in Europe.



The strategy is the result of an extensive double materiality assessment that took into account the views and interests of Allegro Group's stakeholders. The strategy was approved and adopted by the Board of Directors.

All4 People pillar refers to creating the best environment for personal and professional development by fostering a friendly and inclusive workplace. It is an important element supporting employee engagement, which in the long term enables the achievement of all other goals. In Allegro Group, despite other activities, it is delivered by the goal of maintaining the equal pay gap between women and men below 5% (detailed information in chapter S1 Own workforce). This initiative aligns with our employees' expectations of cultivating a supportive and welcoming work environment.

All4 Planet pillar concerns the biggest stakeholder, which is the natural environment that Allegro Group impacts on. The alignment of Allegro's business activities with reducing environmental impact is achieved in various ways, among others by Greenhouse gases emission reduction target and transition to sustainable packaging in own operations (detailed information in chapter E1 Climate change and E5 Resource use and circular economy). The All4 Planet pillar has two targets. The target of 100% sustainable packaging is related to Allegro Group's own operations of sending ordered products by Allegro Group's customers. During the double materiality process, the organization identified that this target was particularly important especially for customers, merchants and Allegro Group's employees. In this way, the Allegro Group will reduce its negative impact related also to waste and support consumers in making more sustainable choices and employees.

The reduction of greenhouse gases emissions in own operations, including through improved energy efficiency and the transition to renewable energy sources, will make the platform services more sustainable. It is also a way to engage in the sustainable transformation of business partners such as data centers owners or landlords of used buildings. In this way, the Allegro Group will reduce its negative impact related to climate and energy. This target was assessed as important mainly for investors and employees.

All4 Prosperity directly refers to the impact Allegro Group has on the economy in Poland and other countries of operation by supporting merchants, especially from small and medium-sized enterprises. Allegro Group is dedicated to creating value for merchants with the target of 177 thousand active merchants on the Allegro platform by the end of 2026. Achieving this goal means an even better product offering for all Allegro Group's customers and conditions for merchants to develop their business. In this way, the Allegro Group will increase its impact on economic development and build prosperity for mainly small-medium enterprises (SME). According to the stakeholders survey, this issue is crucial for both the merchants and the employees.

All these pillars are supported by actions in the area of Good Governance, where the goal chosen is to enhance cybersecurity. This is a crucial topic from the standpoint of customer safety and the stability of the company's operations. The goal is to increase employees' awareness of cybersecurity, as their knowledge and vigilance are crucial for ensuring security. This is achieved through the widespread implementation of cybersecurity training. Therefore, a target has been set of 90% of employees being trained in cybersecurity by the end of 2025.

VALUE CHAIN AND COOPERATION WITH STAKEHOLDERS

[SBM-1] [SBM-2]

The Allegro Group's business model and value chain are centered around a comprehensive approach to inputs, outputs, and stakeholder benefits. Inputs encompass financial resources such as revenue and investment in technology, alongside assets like the e-commerce platform and supply chain logistics. Additionally, intellectual, human, social, and natural capitals contribute to value creation through brand reputation, employee expertise, customer relationships, and sustainable practices, all governed by robust corporate governance and risk management frameworks. In terms of outputs and outcomes, Allegro Group delivers significant benefits to customers, including rapid delivery services and financial solutions. For investors, the Group demonstrates strong financial performance, marked by growth in active customers and gross merchandise volume (GMV), alongside investments in international expansion and innovative solutions like delivery lockers. The Allegro Group fosters a positive work environment, values employee contributions, and aims to minimize the pay gap. It also supports merchants in adapting to new business conditions. Additionally, the Group's efforts in reducing its carbon footprint and enhancing cybersecurity positively influence investor perceptions and protect data.

In order to better understand the Allegro Group's value chain, it's important to note that Allegro Group is an e-commerce marketplace generating revenue primarily through facilitating third-party (3P) transactions between consumers and merchants, and charging commissions as well as other related fees to merchants. The Allegro Group also operates its own limited-scale first-party (1P) retail operations, generating revenue by selling products directly to consumers on its e-commerce marketplace. The upstream and downstream processes differ depending on whether the sales are 1P (own shop) or 3P (merchants).

For 3P sales, products are sold by merchants and therefore merchants are included in the value chain. In the case of Allegro's own shop (1P), the products are sold by Allegro.

The downstream processes include transportation delivery solutions in partnership with national delivery service providers or by Allegro Delivery or Allegro One Courier. In that case the Allegro Group included in the value chain the carriers. Lastly, in the downstream Allegro Group included consumer use of products, and the products' end-of-life management for 1P products.

The Allegro Group's own operations include maintaining and developing online platforms (Allegro.pl, Allegro.cz, Allegro.sk, Allegro.hu, Mimovrste), supporting services and suppliers (payment, technology solutions, warehousing for 1P, and fulfillment services for 3P), and its own shop (1P) retail operations.

This approach makes it possible to set the boundaries and then manage environmental, social, and governance impacts in all of the Allegro Group's operations.

The Allegro Group engages its main stakeholders, thereby enabling it to make better business decisions, manage risks more effectively, and foster innovation. The Allegro Group's engagement with its stakeholders is multifaceted and presented in the table below. The goal of cooperation with stakeholders is to maintain proper relations with each group and better understand and consider the opinions and interests of its stakeholders, contributing to more sustainable and responsible business operations.

Key stakeholders engagement

Stakeholder	Form of engagement	Purpose of engagement	Outcome of engagement
Employees	Direct and long term relationships through: • Email • Intranet • Individual contact • Team meetings • #Let's_Talk Quarterly meeting and Q&A session • The qa_allegro channel for asking questions on an ongoing basis • Engagement surveys • Employee representatives	• Understanding employees' needs and pain points • Raising awareness of internal policies and build company resilience • Building organization culture where great talents perform and thrive • Providing information on changes • Day to day operations	• Increased employee satisfaction, retention and attraction • Better flow of information and more diverse opinions for decision making
Customers	Direct relationships through: • Allegro chat • Hotline for Seniors • Contact channel for deaf users • Allegro Protect • Social media • Regular surveys • Allegro Gadane community • Media relations • Email	• Understanding customers' needs and pain points • Building awareness and support sustainability transformation • Advertising campaigns • After sale care	• Increased customer awareness • Increased customer satisfaction and loyalty
Merchants (3P) • Large • Medium • Small • VIP Mainly small and medium entrepreneurs	Direct and long term relationships through: • Email • Allegro Academy • Allegro Gadane • Social media • Account managers (for VIP only) • Regular surveys • Allegro Gadane community • Media relations	• Understanding merchants' needs and pain points • Building awareness and support sustainability transformation • Problem solving	• Increased merchants awareness • Increased merchants satisfaction • Greater resilience and long term value creation
Suppliers of products for Allegro's own shop (1P) and packaging used in fulfillment center (1F)	Direct relationship through: • Planning process • Performance Review • Email • Direct communication • Periodical reports • Media relations • Conferences	• Understanding suppliers' needs and pain points • Clearly defined expectations to suppliers (requirements, quality, delivery condition etc.) • Sharing knowledge and support sustainability transformation • Ensuring compliance with code of conduct • Decarbonising value chain and promoting low emission and circular solutions	• Stronger relations and improved resilience of supply chain • Reduced greenhouse gases emissions

Key stakeholders engagement

Stakeholder	Form of engagement	Purpose of engagement	Outcome of engagement
Suppliers of services (incl. IT, transport)	Direct long term relationship through: • Email • Direct communication • Periodical reports • Media relations • Conferences	• Understanding suppliers' needs and pain points • Clearly defined expectations to suppliers (requirements, quality, delivery condition etc.) • Sharing knowledge and support sustainability transformation • Ensuring compliance with code of conduct • Promoting responsible sourcing, • Decarbonising value chain and promoting low emission and circular solutions	• Stronger relations and improved resilience of supply chain • Reduced greenhouse gases emissions
Investors	Direct and indirect communication through: • AGM meetings • Quarterly results presentations and calls • Equity Capital Markets conferences • Investor non-deal roadshows • ESG ratings	• Share value creation plan, risks and opportunities for long term investment	• Expectations from analysts/investors delivered

For the purpose of the double materiality analysis, the Allegro Group conducted a stakeholder engagement study using online surveys distributed to employees, merchants, and customers. These stakeholders were chosen for in-depth consultation due to their direct business relationships with Allegro Group. Feedback was gathered to ensure that the Group responds to stakeholders' needs and incorporates them into strategic goal setting. The Allegro Group also analyzed the sustainability reports from suppliers. Allegro Group perceives stakeholder opinions as a reflection of interest in the further development of the Group. The Group strives to integrate stakeholder feedback into its strategy and business model, recognizing that these insights are relevant to the results achieved by the Allegro Group.

Additionally, the environment (considered a silent stakeholder) and perspectives of other stakeholders not directly involved with the Allegro Group were assessed through available publications, benchmarks and reports. Press reports were reviewed to identify potential impacts, risks, and opportunities. The surveys and analyses of reports and publications offered a more holistic view of the Allegro Group's impact. The double materiality analysis, of which the stakeholders research report is a part, was approved by the Board of Directors. Additionally the Board of Directors regularly review the key performance indicators for satisfaction of employees, merchants and customers as well as security, compliance, whistleblowing, governance and risk management update.

DOUBLE MATERIALITY ASSESSMENT

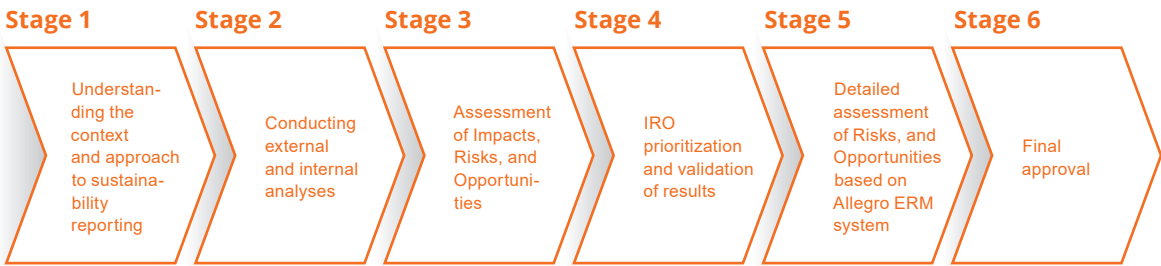
MATERIALITY ASSESSMENT PROCESS

[IRO-1]

To be compliant with the CSRD, in preparation for Allegro's Sustainability Statement, the Allegro Group has conducted a double materiality assessment (DMA). The assessment examines the importance of sustainability matters, considering both impact materiality and financial materiality.

The analysis covered Allegro Group in each of the operating countries: Poland (main location), the Czech Republic, Slovakia, Hungary, Croatia, and Slovenia.

The double materiality analysis has been conducted in 6 stages:



Stage 1: Understanding the Allegro Group's context and approach to sustainability reporting

This stage involved understanding the Allegro Group's context and approach to sustainability reporting by reviewing past reports and benchmarks.

The first step was crucial for identifying the various entities, stakeholder groups, and activities associated with the Group, encompassing the Upstream, Own Operations, and Downstream components. Analysis in this step identified areas for improvement in materiality analysis and helped in mapping stakeholders in the value chain, ensuring a thorough understanding of potential material issues.

Stage 2: Conducting external and internal analyses

At this stage we conducted external and internal analysis in order to collect information and insight necessary for the compilation of a long list of potential ESG impacts, risks, and opportunities. Externally, this included assessing compliance with sector-specific standards and analysing sector-specific material topics to align with industry trends.

Internally, it involved reviewing internal ESG policies and strategies, examining stakeholder survey results, and analysing press coverage to assess the Allegro Group's commitment to sustainability and understand stakeholder perspectives. The stakeholders survey was crucial for understanding the nature of stakeholder concerns and aspirations, ensuring that the materiality analysis would reflect stakeholders' views and opinions. The engagement consisted of online surveys conducted among employees, customers and merchants. Additionally, the Allegro Group analyzed industry reports and considered benchmarking analyses for the sectors in which it operates to assess its impact on affected communities.

Within the framework of the European Sustainability Reporting Standards, which do not offer a precise definition of positive impacts and given the absence of a consistent market practice, Allegro has formulated an approach that characterizes positive impact as the company's beneficial contribution to sustainable development. This contribution is acknowledged even if it entails mitigating negative impacts.

All identified impacts, risks and opportunities encompass both Allegro's own operations and value chain. The analysis included an assessment of both residual (net) and inherent (gross) climate risks. For ESG-related risks, only residual (net) risks were analyzed.

The list of potentially material topics was compiled based on:

- the list of sustainability matters of ESRS 1 AR 16
- in-depth analysis of the sector, business relationships and the organizations including its value chain (external and internal analysis)

Stage 3: Assessment of Impacts, Risks, and Opportunities (IRO)

According to the double materiality principle, a sustainability topic is considered material if it holds materiality from either an impact perspective, a financial perspective, or both. The assessment involved two key analyses: impact materiality and financial materiality. Impact materiality examined the Allegro Group's ESG impacts by determining their type, scale, scope, remediation character (for negative impacts), and likelihood (for potential impacts) based on a 1-5 scale and the following classification:

- Scale: How serious/beneficial the impact is
- Scope: How widespread the impact is
- Irremediable character: Whether and to what extent the negative impacts could be remediated, restoring the environment or affected people to their prior state
- Likelihood: The possibility of a potential risk/opportunity occurring

In the case of a potential negative impact (e.g., human rights), Allegro Group has adopted an approach indicating that the severity of the impact takes precedence over its likelihood.

Financial materiality identified and evaluated the materiality of risks and opportunities linked to each topic, factoring in the direct and potential financial effects magnitude and likelihood in aggregated short, medium, and long term time horizons. Likelihood was estimated based on percentage values in the range 0-100%.

The impact and financial assessment was conducted considering the following time horizons:

- Short term – up to 1 year;
- Mid term – 1 up to 5 years;
- Long term – 5 up to 10 years.

Preliminary results of the materiality assessment were reviewed in workshops with various department representatives, integrating materiality into the broader financial context of the Group.

Stage 4: IRO prioritization and validation of results

In this stage, the focus was on prioritising and validating the results of impact and financial materiality assessments, leading to recommendations for Sustainability Statement disclosures. Key steps included grouping material topics, setting thresholds for significance, and adjusting group scores based on survey results, with a weighted emphasis on experts' scores.

For both impact and financial materiality dimensions, sustainability topics scored 3.25 and above were deemed material, categorised into tiers of significance: topics scoring 3.25 and between 3.25 and 3.8 as highly material, and those scoring 3.8 and above as very highly material. Scoring 3.8 and above for impact materiality, irrespective of their financial materiality score, and groups scoring 3.25 and higher for financial materiality, regardless of their impact materiality score, were designated as top priority. IROs with scores below these thresholds were categorised as second priority, while the remaining groups were deemed immaterial. The Board of Directors revised and then approved the list of impacts in March 2024.

Stage 5: Detailed assessment of Risks, and Opportunities based on Allegro Group Enterprise Risk Management (ERM) system

To better understand and integrate financial dependencies between DMA results and internal risk management process, the second phase of the assessment was further conducted. It consists of the in-depth analysis of risk and opportunities based on the identified in stage four impacts. ESG and climate risks, including those derived from impacts identified in the earlier stage, were assessed in line with the overall risk management approach whereas climate physical risks were additionally quantified based on the quantitative models. In accordance with the ERM system, ESG risks have a residual character (net, after mitigation), whereas climate risk was assessed initially on a residual level and then transposed to the inherent one (as per ESRS E1 requirements). The risks and opportunities lists were created based on the impact list from the previous stage on multidisciplinary workshops and individual meetings. The methodology is fully integrated with ERM methodology described in the Management Review, in chapter IV.

Initially, the Allegro Group has concluded that none of the risks were assessed as exceeding the Allegro Group risk appetite threshold. Considering Allegro's commitments and ambitions relating to sustainability, the threshold of materiality was lowered.

Stage 6: Final approval

Validating results with the Board of Directors ensured that materiality findings aligned with organizational priorities. This step fostered accountability and governance, reinforcing the strategic relevance of materiality analysis. The final list of impacts, risks and opportunities with the assessment in 3 time horizons (and 2 climate scenarios) was consulted with the Risk Committees and then the executive summary was presented to both the Remuneration, Nomination and ESG Committee (**RemNomESGCo**) and Audit Committee (**AuditCo**) and commented before final Board of Directors (**BoD**) approval.

Moreover, risk owners and risk coordinators are responsible for IROs' monitoring. Additionally IROs are also covered by the due diligence process.

Identifying and assessing non-material impacts, risks and opportunities

The double materiality analysis concluded that IROs related to pollution, water, biodiversity, workers in the value chain and affected communities are non-material.

In the process of identifying significant impacts, risks, and opportunities, Allegro Group also considered all the topics from ESRS including those related to pollution, water and marine resources, and biodiversity. This analysis was based on industry reports, expert opinions, and the knowledge of its own employees from various departments within the Allegro Group. The assessment also took into account reports from ESG rating agencies. Therefore, the Allegro Group did not conduct a detailed screening of site locations.

The assessment regarding pollution, water and marine resources, and biodiversity pertained to Allegro Group's own operations and the value chain. As part of the double materiality process, the Allegro Group engaged in dialogue with stakeholders to understand their concerns and expectations related to pollution, water and marine resources, and biodiversity. The detailed methodology is coherent with the double materiality assessment process described above. Additionally, an analysis of the locations of warehouses of the Allegro Group was conducted to determine whether they are situated in protected areas. The analysis showed that the warehouses are not located in such areas.

IMPACT, RISK AND OPPORTUNITY (IRO) MANAGEMENT

[SBM-3]

In 2024, the Allegro Group conducted a double materiality analysis to determine its impacts, risks, and opportunities. These identified elements are connected to the Allegro Group's ESG strategy and business model. All material impacts, risks, and opportunities can arise at any time and are indicated in the value chain table below.

List of Allegro Group’s material impacts, risks and opportunities

ESG strategy pillar and material topics	Type of material IRO	Material IRO	Time horizon	Value chain part
All4 People S1 Own workforce Equal opportunities and fairness	Positive actual impact	Allegro Group is taking measures to positively address the equal pay gap, in line with its strategy to commit to equality and fairness	Short, medium, long term	Own operations
	Negative potential impact	Rapid organizational growth and significant changes in the environment (legal, civilizational, and social) may negatively impact employees, by requiring increased flexibility and quick adaptation to new conditions	Short, medium, long term	Own operations
	Risk	Social and environmental factors may undermine Allegro Group's ability to provide an attractive culture where talent thrives, develops and feels supported	Short, medium, long term	Own operations
All4 People S1 Own workforce Health & Safety	Risk	Potential occurrence of serious or fatal accidents at work	Short, medium, long term	Own operations
	Positive actual impact	Implementing health and safety procedures has a positive impact on safety of the workforce	Short, medium, long term	Own operations
All4 People S4 Consumers and users Accessibility	Opportunity	A wider and more accessible network deliveries to automated parcel machines (APMs) and Pick up and Drop off point (PUDOs) could result in increased customer numbers and revenue	Short, medium, long term	Downstream
	Positive actual impact	Enhancing the digital accessibility of Allegro Group's services simplifies shopping for people with special needs, allowing them to fulfill most of their shopping in one online platform with convenient delivery	Short, medium, long term	Downstream
All4 People Entity specific Charity	Positive actual impact	Involvement in charity and community initiatives	Short, medium, long term	Own operations, upstream and downstream

List of Allegro Group’s material impacts, risks and opportunities

ESG strategy pillar and material topics	Type of material IRO	Material IRO	Time horizon	Value chain part
All4 Planet E1 Climate change Climate change	Negative actual impact	Operations of Allegro Group results in GHG emissions which contribute to climate change and may have a negative impact on the environment	Short, medium, long term	Own operations, upstream and downstream
	Risk (transition)	Potential challenges in meeting decarbonisation targets due to regulatory changes and high dependency on business partners in achieving these targets	Short, medium, long term	Own operations, upstream and downstream
	Risk (transition)	Potential non-compliance with extensive new ESG and climate regulations despite the best efforts of dedicated resources, whilst industry wide best practice matures	Short, medium, long term	Own operations
	Risk (transition)	Whilst automated parcel machines are proven to have a lower carbon footprint, consumers have concerns about the increasing number of these machines in local neighborhoods	Short, medium, long term	Own operations, downstream
	Positive actual impact	Allegro Group's decarbonization plan approved by SBTi can positively impact the low-carbon economy, benefiting the environment and local communities	Short, medium, long term	Own operations, upstream and downstream
All4 Planet E1 Climate change Energy	Positive actual impact	Allowing customers to use Allegro One Box or other parcel machines and collection points reduces GHG emissions from logistics, benefiting society	Short, medium, long term	Own Operations, Downstream
	Negative actual impact	To conduct its operational activities, Allegro Group requires energy primarily associated with data processing and the power supply of logistics facilities and offices	Short, medium, long term	Own operations, upstream and downstream
	Risk (transition)	Volatility in costs changes driven by insufficient availability of renewable energy supply	Short, medium, long term	Upstream, own operations, downstream
	Opportunity	Opportunity to ensure zero-carbon energy at stable prices over the long term	Short, medium, long term	Upstream, own operations, downstream
	Opportunity	An opportunity to increase the efficiency of energy use in Allegro Group's own operations	Short, medium, long term	Own operations
	Positive actual impact	Allegro Group reduces its environmental impact by implementing energy-efficient and low-emission solutions and increasing renewable energy use, thereby mitigating climate change	Short, medium, long term	Own Operations

List of Allegro Group’s material impacts, risks and opportunities

ESG strategy pillar and material topics	Type of material IRO	Material IRO	Time horizon	Value chain part
All4 Planet E5 Resource use and circular economy Sustainable packaging	Negative actual impact	The rise of e-commerce marketplace has significantly increased the demand for packaging solutions	Short, medium, long term	Own operations, upstream and downstream
	Negative actual impact	Increase of amount of waste due to increasing the scale of the Allegro Group's operations	Short, medium, long term	Own operations, upstream and downstream
	Risk	Potential challenges to deliver a transformation in packaging on the marketplace due to limited influence on merchants	Short, medium, long term	Own operations, upstream and downstream
	Positive potential impact	Implementation of sustainable packaging in Allegro Group's own operations	Short, medium, long term	Own Operations
All4 Planet E5 Resource use and circular economy More sustainable products and services	Negative potential impact	The convenience of shopping on the Allegro online marketplace can encourage excessive consumption	Short, medium, long term	Downstream
	Risk	Insufficient consumer appetite to pay for sustainable alternatives results in lack of selection of sustainable offers	Short, medium, long term	Own operations, downstream
	Opportunity	Opportunity to offer a sustainable product range on Allegro's platforms	Short, medium, long term	Own operations, upstream and downstream
	Positive potential impact	The offers with sustainable products (with certification) can positively influence consumer habits	Short, medium, long term	Own operations, upstream and downstream
All4 Prosperity G1 Governance Suppliers' relations	Positive actual impact	Careful selection of suppliers based on their reliability and compliance with regulations positively impacts the market and working conditions in the supply chain	Short, medium, long term	Upstream
All4 Prosperity G1 Governance Merchants' value creation	Positive actual impact	Providing merchants with services that can scale up their business like Allegro One Fulfillment, providing with sustainable materials, advanced analytics and education in ESG or market trends	Short, medium, long term	Upstream
	Risk	Merchants may encounter difficulties in fully adhering to Allegro Group ESG principles	Short, medium, long term	Upstream, downstream

List of Allegro Group’s material impacts, risks and opportunities

ESG strategy pillar and material topics	Type of material IRO	Material IRO	Time horizon	Value chain part
Good Governance G1 Governance Corporate governance transparency	Risk	Environmental actions may be considered “greenwashing” despite the positive intentions and best efforts	Short, medium, long term	Downstream
Good Governance S4 Consumers and end users Cybersecurity	Negative potential impact	The potential possibility of security breaches of users' data	Short, medium, long term	Upstream, downstream
	Risk	Despite our best efforts to mitigate, there is still a possibility of cyberattacks	Short, medium, long term	Upstream, downstream
	Opportunity	An opportunity to develop solutions against cyberattacks, providing a competitive advantage in the market, and to be better positioned and recognized by stakeholders as a company that uses data responsibly and is resistant to cyberattacks	Short, medium, long term	Upstream, downstream
	Positive actual impact	Adherence to high standards of data protection through the use of cybersecurity audits, employee training	Short, medium, long term	Upstream, downstream
Good Governance S4 Consumers and end users Consumer & product safety	Negative potential impact	Despite the due diligence process and safety controls some non-original products, or products which could potentially be harmful or dangerous, might appear on the Allegro platforms and then enter the market	Short, medium, long term	Downstream
	Risk	Products sold by merchants on the marketplace may slip through compliance and safety checks despite the requirement to adhere to Allegro Group principles	Short, medium, long term	Downstream
	Positive actual impact	Allegro Group ensures customer safety by strict listing rules, automated checks, partnerships with authorities, and robust consumer protections like customer protection programs, reviews, and customer support	Short, medium, long term	Downstream

All the impacts, risks, and opportunities listed in the table are covered by the disclosure requirements outlined in the ESRS, except for those marked (*) in the table above, which represent disclosures specific to the Allegro Group.

The current and anticipated effects of significant impacts, risks, and opportunities on the Allegro Group have been identified through a double materiality analysis and a scenario analysis of climate risks. Those current and anticipated impacts, risks, and opportunities are below the established material financial thresholds, which means that there is no

need for immediate action in this regard. However, to mitigate its negative impacts and risks, the Allegro Group has undertaken actions aimed at reducing them. These actions are detailed in the chapters addressing environmental, social, and corporate governance issues. The Allegro Group focuses on the most important areas where it sets strategic goals and does not plan to change its strategy or business model to achieve its intended objectives.

In the table below, the risks diagnosed during the double materiality assessment and their mitigation measures are presented. Mitigating measures for impacts are presented in specific chapters.

Main ESG risks

Material topic	Material risks	Mitigation measures
Equal opportunities and fairness	Social and environmental factors may undermine Allegro Group's ability to provide an attractive culture where talent thrives, develops and feels supported	• Promoting the best standards of behavior through the Allegro Code of Ethics and Conduct • Implementation of the provisions contained in the Diversity Policy, Human Rights Policy and Policy to mitigate the risk of undesirable phenomena such as discrimination, harassment, bullying and violence • Optimizing the monitoring and management of work life balance • A wide range of tools supporting the maintenance of mental well-being available via the Mindgram application • Development of trained Wellbeing Officers • Implementation of leadership programs (incl. female leadership program)
Health and safety	Potential occurrence of serious or fatal accidents at work	• Regular and initial mandatory training for all employees • Spaces enabling work to be organized in a safe manner • Regular updates of instructions, training and procedures regarding safety • Job risk assessments • Building a culture of reporting irregularities, e.g., through internal social media • Building the experience and risk awareness of management staff • Periodic inspections and advice from the Health and Safety department on how work should be carried out

Main ESG risks

Material topic	Material risks	Mitigation measures
Climate change	Potential challenges in meeting decarbonisation targets due to regulatory changes and high dependency on business partners in achieving these targets	• Implementation of the provisions in the Allegro's Climate and Environment Policy • Signing of an agreement with R.Power to supply over 200 GWh of green electricity from photovoltaic farms for 2025-2035 • Commitment to reducing emissions in own operations by 43% by 2030 compared to 2021 • Educational programs and offers tools to support merchants in meeting sustainability requirements
	Potential non-compliance with extensive new ESG and climate regulations despite the best efforts of dedicated resources, whilst industry wide best practice matures	• Implementation of the provisions in the Allegro's Climate and Environment Policy • Monitoring of changes in regulations and adapting policies and processes to ensure compliance with the latest requirements • Regular update of sustainability targets to reflect new regulations and industry best practices
	Whilst APMs are proven to have a lower carbon footprint, consumers have concerns about the increasing number of these machines in local neighborhoods	• Introduction of an agnostic model for parcel machines, consisting in making the machines available to all suppliers, which will reduce the number of APMs • Broad public consultations with experts from NGOs, local communities and representatives of public administration, as a result of which solutions were introduced to reduce the nuisance of devices: planting greenery, reducing light pollution, reducing noise • Minimising the negative impact of parcel machines in the area of light and noise pollution
	Volatility in costs changes driven by insufficient availability of renewable energy supply	• Implementation of the Climate and Environment Policy • Long term renewable energy supply contracts, which helps stabilize energy costs and ensures constant access to green energy • Using virtual power purchase agreement (vPPA) to secure energy prices for a longer period, which reduces the risk associated with price fluctuations in the energy market • Increasing the share of renewable energy in cooperation with landlords
Sustainable packaging	Potential challenges to deliver a transformation in packaging on the marketplace due to limited influence on merchants	• Implementation of the provisions in the Circularity and Waste Policy • Dedicated offer of sustainable packaging to merchants • Possibility for consumers to evaluate packaging type on Allegro • Communication for merchants, including an eco-packaging guide, Allegro Academy webinars • Transforming packaging in own operations (100% sustainable packaging goal in own operations by 2028) • Shipping products without additional packaging, where possible

Main ESG risks		
Material topic	Material risks	Mitigation measures
More sustainable products and services	Insufficient consumer appetite to pay for sustainable alternatives results in lack of selection of sustainable offers	• Availability of a wide range of sustainable products on Allegro • Dedicated section of certified products, verified in cooperation with a specialist non-governmental organization • Filters with environmental certificates for certain product groups • Possibility to sell used products on Allegro Lokalnie • Promoting the resale of products previously purchased on Allegro • Annual campaigns: „Sell an unsolicited gift”
Merchants' value creation	Merchants may encounter difficulties in fully adhering to Allegro Group ESG principles	• Offering various tools and support for merchants to help them meet ESG requirements
Corporate governance transparency	Environmental actions may be considered “greenwashing” despite the positive intentions and best efforts	• Implemented „Good practices in green / sustainability / ESG / CSR marketing and communication at Allegro” are used to mitigate the risk • Annual training for all employees • Continuous monitoring of regulations
Cybersecurity	Despite our best efforts to mitigate, there is still a possibility of cyberattacks	• Implementation of the provisions of Security Policy • Ensuring integrity and confidentiality by encrypting personal data both during transmission and in the system • Modern threat detection and protection systems monitor network traffic and identify suspicious activities in real time • Regular security audits and penetration tests used to identify potential vulnerabilities and immediately fix them • Regular training in cybersecurity • Strong password policy and multi-step authorization used to secure access to systems and data • A comprehensive incident response plan developed that allows for quick and effective action in the event of a breach
Consumer & product safety	Products sold by merchants on the marketplace may slip through compliance and safety checks despite the requirement to adhere to Allegro Group principles	• Program: Cooperation in the Protection of Rights with a fast track and a dedicated mechanism for reporting infringements of intellectual property rights • Customer refunds program Allegro Protect with simple and consumer-friendly refund • Implementation of General Product Safety Regulation (GPSR) • Monitoring of infringers and a policy of their elimination, identification and elimination of suspicious offers, implemented restrictions on the possibility of listing offers of specific brands by merchants from outside the European Economic Area (EEA)/sending products from outside the EEA • Signing of “The memorandum of understanding on the sale of counterfeit goods on the internet” • Signing of the “Product Safety Pledge” proactively, monitoring of alerts published on the Safety Gate portal daily • Work of dedicated team of experts trained in the elimination of prohibited offers

The policies and targets adopted by the Allegro Group are related to material impacts, risks, and opportunities. Acting in accordance with these policies and achieving the adopted objectives contribute to risk mitigation. The Board of Directors is responsible for general supervision of the risk management framework and process, as well as determining the scope and directions for development and effectiveness of risk management.

The results of the resilience analysis indicate that Allegro Group's strategy and business model are resilient to risks due to effective adaptive actions. The assessment was conducted using a qualitative

method within the ERM system, and the time perspectives adopted are the same as those indicated at the beginning of the chapter. The policies and procedures adopted by the Allegro Group aim to monitor and mitigate risks, preventing situations that could significantly impact the Allegro Group's business model and strategy. Allegro identifies opportunities and leverages the benefits arising from them by developing new areas of its operations, including the development of sustainable products and practices, which helps build loyalty among customers and merchants. Like risks, the opportunities and impacts of the Allegro Group can materialize in any of the three time horizons.

SUSTAINABILITY GOVERNANCE

BOARD AND MANAGEMENT’S ROLE AND RESPONSIBILITIES

[GOV-1] [GOV-2][GOV-3]

Allegro.eu, being a company incorporated and existing under the laws of Luxembourg, has a one-tier (unitary) management system in which the Board of Directors includes both executive Directors (dealing with the day-to-day management) and non-executive (supervising) Directors – as opposed to the majority of Polish companies, having both the management board and the supervisory board. The detailed information about Board of Directors composition, diversity, experience, roles and responsibilities as well as the Employee Representation is included in the Management Review, in chapter III.

The Board of Directors is responsible for ESG leadership including oversight and monitoring ESG and climate strategy and flagship non-financial KPI performance. It also monitors corporate risk (incl. ESG and climate), defines the scope of risk management,

defines directions for the development of the risk management system and sets risk appetite levels. The Board of Directors is regularly informed about sustainability matters through the following committees directly reporting to the Board of Directors:

- Audit Committee (AuditCo);
- Remuneration and Nomination Committee (RemNomCo; formerly RemNomESGCo);
- ESG Committee (ESGCo; formerly RemNomESGCo).

More detailed information on how committees are involved in material impacts, risks and opportunities identification and assessment is described in the Management Review, in chapter III.

The main areas of interest and discussion on ESG issues pertained to reviewing the ESG impact, risks and opportunities (incl. climate), refreshed decarbonization plan, and the ESG operational plan for 2025. The climate and ESG risks were discussed by ESGCo (as part of RemNomESGCo) and approved by the Board of Directors in 2024. Detailed lists are included in the Management Review, in chapter IV.

Starting from 2024 the sustainability-related targets are factored into the remuneration of the Executive Board of Directors and managers. When determining the annual bonus (Short term incentive, STI), the ESG index is included in the assessment as a key performance indicator. It constitutes 10% of the CPI (Company Performance Index) meaning 10% of the annual bonus on target is linked to the achievement of specific ESG-related goals.

The ESG index consists of 5 annual targets directly related to the strategic ESG goals of the Allegro

Group. Each of the five objectives carries equal weight. The list of ESG goals is presented in the chapter “ESG 2024 performance”.

Achieving these targets affects the amount of the annual bonus. The inclusion of the ESG index reflects the Allegro Group's commitment to sustainability and responsible governance.

The incentive system was approved by RemNomCo, which also has the authority to update it.

Statement on due diligence
[GOV-4]

The Allegro Group exercises due diligence among others in the following areas: social and employee issues, environmental protection, procurement, governance including corruption. All these aspects are described in the Sustainability Statement in the sections indicated in the table below.

Due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	ESRS2 GOV-2, ESRS2 SBM-3, G1-1, G1-2
Engaging with affected stakeholders in all key aspects of the due diligence	ESRS2 SBM-2, S1-2, S4-2
Identifying and assessing adverse impacts	ESRS2 IRO-1, ESRS2 SBM-3
Taking action to address those adverse impacts	E1-1, E1-3, E5-1, E5-2 S1-4, S4-4
Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6, E5-4, S1-17

INTERNAL CONTROL OVER SUSTAINABILITY REPORTING

[GOV-5]

The Allegro Group has ESG risk management and climate risk management, which are part of the Allegro Group's ERM. Non-compliance with reporting regulation is one of the identified risks for the Allegro Group, as diagnosed in the double materiality process. The risk assessment approach and prioritisation methodology is described in the chapter “Materiality assessment process”.

The sustainability reporting process was undergoing a substantial transformation in its reporting procedures, focusing on data quality, reliability and auditability. The detailed scope of the sustainability reporting is defined by double materiality analysis (DMA) that is reviewed at least once in three years and double checked by the Board of Directors once a year. In 2024, the ESGCo and the AuditCo of Allegro Group held additional meetings where they were updated on the progress of CSRD-aligned reporting preparations. Based on the Committees' recommendations, the Board of Directors adopted the Sustainability Reporting Policy. The Sustainability Reporting Policy was introduced in order to set new standards for sustainability reporting in compliance with CSRD.

The Sustainability Reporting Policy requires at least two levels of data verification before its delivery to the external auditor for the purposes of conducting a limited assurance attestation. As part of the first line of defense, the data controller checks the accuracy, completeness and verifiability of data and evidence provided by data providers. Within the second line of defense, the central verification team checks to ensure that data prepared by data providers is complete and accurate. If any issues or inconsistencies are identified, the central verification team provides feedback to data providers and/or data controllers, who then address the concerns for clarification or correction. Once all data for a metric has been verified and documented, the central verification team approves the ESG metric for final

submission to the appropriate stakeholders. This Policy will be regularly updated by the ESG team and approved by the Board of Directors at least once a year, or more frequently if there are significant changes to the process, to ensure its relevance and effectiveness.

To mitigate the risk of non-compliance with reporting regulations, the Allegro Group continuously monitors regulatory changes and adapts policies and processes accordingly to maintain compliance with the latest requirements. Furthermore, the Allegro Group regularly updates sustainability targets to align with new regulations and industry best practices, demonstrating our commitment to environmental responsibility.

The sustainability reporting process consist of 4 stages:

- Boundaries review – an annual review of reporting boundaries and DMA that help to define the scope of reporting entities and metrics;
- Data gathering and calculation by data providers and data controllers;
- Data validation by the central verification team. After internal validation the data is sent to the external independent auditor;
- Learning – at the end of the sustainability reporting process, the learning and development session is planned in order to identify the gaps and implement remediation actions that would improve the further sustainability reporting processes.

The reporting process is also overseen by the Chief Financial Officer (CFO) and the Chief Legal Officer (CLO) of the Allegro Group, ensuring appropriate control and compliance with applicable standards and regulations.

2.2.
Environmental information

E1 CLIMATE CHANGE

IMPACT, RISK AND OPPORTUNITY (IRO)

[SBM-3]

The impacts, risks, and opportunities of the Allegro Group were identified in 2024 during the double materiality analysis. In the context of climate change and energy Allegro Group identified 11 IROs presented in the table below. A detailed description of the process can be found in the General information chapter.

Material impacts, risks and opportunities (IRO) for Climate change

Material topic	Type of material IRO	Material IRO	Value chain part
Climate change	Negative actual impact	Operations of the Allegro Group result in GHG emissions which contribute to climate change and may have a negative impact on the environment	Own operations, upstream and downstream
	Risk (transition)	Potential challenges in meeting decarbonisation targets due to regulatory changes and high dependency on business partners in achieving these targets	Upstream, own operations, downstream
	Risk (transition)	Potential non-compliance with extensive new ESG and climate regulations despite the best efforts of dedicated resources, whilst industry wide best practice matures	Own operations
	Risk (transition)	Whilst APMs are proven to have a lower carbon footprint, consumers have concerns about the increasing number of these machines in local neighborhoods	Own operations, downstream
	Positive actual impact	Allegro Group's decarbonization plan approved by SBTi can positively impact the low-carbon economy, benefiting the environment and local communities	Own operations, upstream and downstream
	Positive actual impact	Allowing customers to use Allegro One Box or other parcel machines and collection points reduces GHG emissions from logistics, benefiting society	Own Operations, Downstream

Material impacts, risks and opportunities (IRO) for Climate change

Material topic	Type of material IRO	Material IRO	Value chain part
Energy	Negative actual impact	To conduct its operational activities, the Allegro Group requires energy primarily associated with data processing and the power supply of logistics facilities and offices	Own operations, upstream and downstream
	Risk (transition)	Volatility in costs changes driven by insufficient availability of renewable energy supply	Upstream, own operations, downstream
	Opportunity	Opportunity to ensure zero-carbon energy at stable prices over the long term	Upstream, own operations, downstream
	Opportunity	An opportunity to increase the efficiency of energy use in Allegro Group's own operations	Own operations
	Positive actual impact	Allegro Group reduces its environmental impact by implementing energy-efficient and low-emission solutions and increasing renewable energy use, thereby mitigating climate change	Own Operations

Due to its business model, Allegro Group's operations contribute to GHG emissions, which negatively impact the environment and drive climate change. By setting the decarbonisation goals and reducing Scope 1, 2, and 3 GHG emissions, Allegro can support the Paris Agreement. Realization of these targets depends on regulatory changes and business partners, which represent potential challenges in meeting decarbonisation targets. Another risk is potential non-compliance with extensive new ESG and climate regulations despite the best efforts of dedicated resources, whilst industry wide best practice matures.

Operational activities, including the data centres and logistics infrastructure, involve high energy consumption. At the same time, the Allegro Group exerts a positive impact by working towards reducing GHG emissions, investing in low-emission and energy-saving technologies that help reduce energy consumption and carbon footprint emissions. Additionally, the Allegro Group is increasing the efficiency of energy use in its own operations. The Group is also increasingly using renewable energy sources in its mix, which do not contribute to further emissions, thereby positively impacting climate change mitigation and adaptation. In 2024

Allegro Group used 37% renewable electrical energy (+19pp vs 2023) based on guarantees of origins (GO). Additionally at the beginning of 2024 the Allegro Group signed the vPPA agreement with renewable energy producer and investment bank securing contract for 10 years, which is an opportunity to ensure zero-carbon energy at stable prices over the long term.

The expansion of the network of APMs and PUDOs allows to minimise GHG emissions from logistics. Whilst APMs are proven to have a lower carbon footprint, consumers have concerns about the increasing number of these machines in local neighborhoods.

Last but not least the Allegro Group systematically monitors climate risks, which allows for better management and informed decision-making that contribute to climate protection. All of the described impacts are reflected in the established decarbonization strategy. The Allegro Group's Climate and Environment Policy and Risk Management Policy outline strategies for managing both ESG and climate-related risks. The resilience analysis of the Allegro Group's strategy and business model in relation to climate change begins with the re-

sults of the double materiality assessment. This assessment identifies impacts, risks, and opportunities from topics deemed material, serving as the starting point for identifying ESG and climate risks for further evaluation. Allegro Group's resilience analysis primarily focuses on significant parts of its operations and value chain both upstream and downstream. The analysis is conducted through a comprehensive process that involves the identification and evaluation of ESG and climate-related risks. This process is conducted at least once every three years, with annual reviews and updates based on ongoing monitoring. The analysis involves the participation of internal business units and external ESG experts, ensuring a thorough evaluation of risks and their potential impacts. Monitoring of risks involves periodic checks to ensure that the risk status has not changed, the risk level has not changed, and no new risks have emerged. At the level of plans for managing closely monitored risks, monitoring involves checking whether the status of the implemented risk management measures is being maintained and whether these measures have effectively reduced the risk as intended.

The comprehensive identification and evaluation of climate-related risks are conducted considering observed risks in the value chain, opinions of internal and external experts and stakeholders, significant changes in the climate-related business environment, including regulatory changes, latest scientific

data, research, and information relevant to ESG and climate risk management, and disclosure practices of competitive companies and market practices in the sector. The approach for the identification and evaluation of climate risks differs from the assessment of other risks in 3 aspects.

Firstly, climate-related risks (both physical and transition) were assessed under two climate scenarios. The Allegro Group's resilience analysis includes critical assumptions about how the transition to a lower-carbon and resilient economy will affect surrounding macroeconomic trends, energy consumption and mix, and technology deployment. The Allegro Group employed two extreme scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) to analyze potential GHG emission pathways and socio-economic development paths.

These scenarios are SSP1-2.6 (below 2°C), which represents the highest transition risks, and SSP5-8.5 (4°C), which represents the highest physical risks. These scenarios provide a broad spectrum of possible future pathways, allowing Allegro Group to assess the resilience of its strategy and business model under different climate conditions. The selected climate scenarios were calibrated for local conditions and potential impacts on the sector. Key megatrends identified in Europe and Poland relevant to each scenario form the basis for analyzing climate-related risks and opportunities at the Allegro Group.

Climatic scenarios

Climate <2°C scenario (RCP 2.6)	Climate 4°C scenario (RCP 8.5)
Higher probability and scale of transformational risks (in the medium and long term): • Meeting EU emission reduction targets for 2030 and 2050 • Poland accepts and achieves the goal of climate neutrality or reaches it with a slight delay • Entry into force of all regulations promulgated by the EU and implementation of subsequent ones (e.g., expansion of the EU ETS) • Significant increase in emissions costs • Significant increase in consumer environmental awareness, greater demand for low-carbon products • Significant increase in energy prices • No negative impact on Poland's economic growth • Faster-than-ever increase in efficiency of renewable energy sources (RES) technologies	Lower probability and scale of transformational risks (in the medium and long term): • Failure to meet EU emissions reduction targets for 2030 and 2050 • Poland does not meet the climate neutrality target; it deviates significantly from it • Entry into force of all regulations announced by the EU, but derogations are possible regarding the deadlines for achieving decarbonization targets for the economy and particular industries • Moderate increase in emission costs • Significant increase in consumer environmental awareness, greater demand for low-carbon products • Gradual and moderate increase in energy prices • Slower-than-expected efficiency gains in RES technologies

Secondly, both inherent (net) and residual (gross) climate risks were evaluated. Last but not least, the physical risks (including temperature-related, wind-related, water-related, and solid mass-related) were assessed quantitatively, considering both acute and chronic risks to understand the financial impact in monetary terms (e.g., percentage of turnover or EBITDA). Adaptation measures for physical risks were planned based on the local context and the specifics of exposed assets and operations. These include both physical measures (e.g., additional fire protection) and non-physical measures (e.g., weather monitoring, routine security tests, crisis protocols, and training). Transition risks were assessed qualitatively, covering direct financial, reputational, business continuity and regulations similarly to ESG risks.

Through these three aspects, the risk analysis process differed from the overall risk management process described in ESRS 2 (GOV-5). However, the process of identifying and assessing climate-related risks is integrated with the Allegro Group's overall risk management processes. This integration allows for the comparison of physical and transition climate risks with other identified risks.

The resilience analysis identified three time horizons: short term (up to 1 year), medium term (1-5 years), and long term (5-10 years). These time horizons are aligned with Allegro Group's strategic planning and business objectives, ensuring that the analysis captures both immediate and future impacts, risks and opportunities related to climate change.

The Allegro Group did not include an assessment of the anticipated financial impacts arising from significant physical risks and transition risks, taking advantage of the option not to disclose information regarding these impacts; however, in evaluating the risks, it considered its actions aimed at mitigating climate change.

The results of the scenario analysis for the Allegro Group include two climate scenarios to show how they impact the final risk assessment outcomes. Under the SSP1-2.6 scenario, Allegro Group's resilience analysis focused on the potential impacts of significant regulatory, technological, and market changes required to achieve decarbonization. The results indicate that the Allegro Group's strategy

and business model are prepared to handle these transition risks due to several mitigating strategies. Allegro has secured a vPPA, implemented good sustainability reporting practices, and set ambitious decarbonization targets, enhancing its ability to meet these goals and mitigate related financial risks. Under the SSP5-8.5 scenario, the Allegro Group's resilience analysis focused on the potential impacts of severe physical risks from climate change. The results indicate that the Allegro Group's strategy and business model are resilient to these physical risks due to effective adaptation measures. The quantitative assessment of physical risks, such as extreme weather events, shows that all analyzed risks are at a low or medium level. No significant physical risks were identified in the key locations of the Allegro Group's assets and business processes. The main low-level physical risks include extreme precipitation and strong storm winds at warehouse locations in Jirny and Adamów, with average expected impairment of assets ranging from mPLN 4.4 to mPLN 6.2 in both short and long term horizons which is far below the risk threshold. The Allegro Group has implemented various adaptation measures to mitigate physical risks, including constructing buildings with waterproof concrete, ensuring redundant data centers, securing multiple energy supply lines, and conducting regular security tests and crisis management training. These measures significantly reduce the potential impact of physical risks on Allegro Group's operations.

The overall results of the resilience analysis demonstrate that the Allegro Group's strategy and business model are prepared to handle the identified climate-related risks. The integration of climate risk assessments into the overall risk management processes, along with continuous improvement and adaptation measures, ensures that the Allegro Group can respond to and manage potential climate-related challenges.

The resilience analysis of the Allegro Group's strategy and business model in relation to climate change involves specific areas of uncertainties due to the complex and evolving nature of climate-related risks. These uncertainties stem from the inherent variability in climate models, the unpredictability of regulatory changes, and the dynamic nature of market and technological advancements. Specifically, the uncertainties include climate model variability,

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regulatory changes, and market and technological advancements. The analysis relies on climate scenario models developed by the IPCC, which, despite being robust, contain inherent uncertainties due to the complex interactions within the global climate system. These uncertainties affect the accuracy of predictions regarding the frequency and severity of extreme weather events and long term climate shifts. The potential for new regulations or changes to existing regulations introduces uncertainty into the analysis. While the Allegro Group has implemented measures to comply with current regulations, future regulatory changes could impact the Allegro Group's operations and financial performance in unforeseen ways. The pace of technological innovation and market shifts can create uncertainties in the resilience analysis. Emerging technologies and changing consumer preferences may alter the landscape in which Allegro Group operates, impacting the effectiveness of current and planned mitigation actions.

The Allegro Group's ability to adjust or adapt its strategy and business model to climate change over the short, medium and long term is a critical aspect of its resilience. The Allegro Group considers risk analysis, while creating the strategy. When planning, we take into account not only climate-related risks, but also the opportunities we can seize.

The Allegro Group conducted a detailed analysis of its impact on climate change, identifying sources of greenhouse gas (GHG) emissions in its operational activities. This allowed for an understanding of how its operations contribute to climate change. In the climate area, the Allegro Group strives to minimize its negative actual impact on climate change by reducing GHG emissions. Furthermore, the Allegro Group's decarbonization plan approved by SBTi can positively impact the low-carbon economy, benefiting both the environment and local communities.

In the case of physical climate-related risks, the Allegro Group identifies the exposure areas of its key assets, taking into account their location and the occurrence of physical climate hazards indicated in the EU Taxonomy (Commission Delegated Regulation (EU) 2021/2139). The Allegro Group then analyzes the degree of exposure of assets and supporting elements (transport connections, power lines, etc.) by examining the sensitivity of these elements to hazards, their adaptive capacity, and the risk

mitigation measures already implemented. In the quantitative analysis of physical risks, the scale of financial impacts for each risk is determined in the form of financial ranges, which serve as inputs to the quantitative assessment model for climate-related physical risks.

The probability assessment in the case of quantitative physical risk evaluation is based on conclusions drawn from the analysis of various sources: results from global climate change modeling, historical data, empirical scientific studies, official analyses, and climate adaptation strategies developed by authorities at various levels, as well as inquiries about historical climate-related events in the immediate vicinity of the analyzed location. A broad review of information sources aims to accurately capture the premises for determining the point probability of hazard occurrence across three time horizons compliant with strategic horizons, capital allocation decisions and expected lifetime of Allegro Group's assets (up to 1 year, 1-5 years, 5-10 years) and in two climate scenarios (SSP1-2.6; SSP5-8.5). The point probability values serve as inputs to the quantitative assessment model for climate-related physical risks.

In this context, risks related to wind and water were specifically assessed to understand their potential impact on the operations and assets of the Allegro Group.

The determination of probability in the case of transition risks is based on the analysis of regulatory, legal, political, technological, and market trends and is expressed based on the scale of probability ranges for risk occurrence adopted in the overall risk assessment procedure of the Allegro Group.

During the analysis and quantitative assessment of climate-related physical risks, no high risks were identified in 10 key asset locations, business processes of Allegro Group, or for the systemic dependencies enabling their operation. All analyzed risks were assessed during modeling at a low or medium score. None of the 66 detailed physical risks analyzed were classified as medium, high, or very high.

Transition risks are identified based on the analysis of connections between the Allegro Group's key business areas and climate-related transition events

classified by the Task Force on Climate-related Financial Disclosures. The TCFD classification in the process of identifying and analyzing transition risks is adapted and developed based on the current diagnosis of the regulatory, political, legal, technological, market, and reputational environment of the Allegro Group. The Allegro Group assesses climate-related risks based on the analysis of the potential financial impact and the probability of occurrence of physical hazards or transition events. For transition risks, the nature of the impact and the scale of potential financial consequences are determined based on data obtained from within the Allegro Group. In the case of qualitative analysis of transition risks, the scale of the financial impact is established based on indirect impacts on finances, reputation, business continuity, and regulations and law. The determination of probability is based on the analysis of regulatory, legal, political, technological, and market trends and is expressed based on the scale of probability ranges for risk occurrence adopted in the overall risk assessment procedure of the Allegro Group.

The Allegro Group takes into account its own operations, upstream and downstream value chain activities. In the process, the Allegro Group also uses its internal risk appetite, which results from financial analyses. In assessing the likelihood of physical risks materializing, the Allegro Group relies on a full spectrum of climate variable analyses relevant to key

locations, derived from global models, bottom-up data collection, and historical events.

The Allegro Group has identified assets and business activities that require significant efforts in the context of transitioning to a climate-neutral economy. In particular, the Group has taken into account the requirements of the Commission Delegated Regulation (EU) 2021/2139, which sets out the technical criteria for qualifying economic activities that make a substantial contribution to climate change mitigation or adaptation.

As part of this process, the Allegro Group assessed which assets and activities may not meet the alignment requirements of the Taxonomy, which may include significant stranded GHG emissions. This assessment was crucial for identifying areas that require additional actions and investments to achieve climate neutrality.

With regards to climate transition risks in the short term, in both scenarios of climate risks analysis, the gross risk is at a medium or high level. Differences in risk assessment arise in the medium and long term time horizon. In the scenario assuming the minimization of GHG emissions and strong climate policies and regulations (RCP 2.6, below 2°C), the risks affect the Allegro Group more significantly than in the scenario (RCP 8.5, >4°C), with insufficient actions to reduce emissions.

Material climate risk	Current risk measures	Short term	Risk assessment (gross risk)			
			Below 2°C Medium Term	Below 2°C Long Term	>4°C Medium Term	>4°C Long Term
Potential challenges in meeting decarbonisation targets due to regulatory changes and high dependency on business partners in achieving these targets	• Decarbonization supervision introduced and quarterly reporting to the ESGCo • Organizational goals established and communicated to employees • Signed vPPA agreement for 2025-2035 for 22GWh/year • Guarantees of energy origin for parcel machines and a few buildings • Cooperation with selected business partners	Medium	Medium	High	Medium	High
Volatility in costs changes and insufficient availability of renewable energy supply	• Signing of long term PPAs to ensure low-carbon electricity with stable prices • Activities and pilot programmes to reduce thermal energy consumption and increase energy efficiency	Medium	Medium	High	Medium	Low
Potential non-compliance with extensive new ESG and climate regulations despite the best efforts of dedicated resources, whilst industry wide best practice matures	• Introduced supervision over Sustainability reporting of the AuditCo, and ESGCo (formerly RemNomESGCo) • Introduced Sustainability Reporting Policy taking into account up to 3 lines of defense, checking the completeness and accuracy of data • Conducted Sustainability reporting trainings	High	High	Medium	High	High
Whilst APMs are proven to have a lower carbon footprint, consumers have concerns about the increasing number of these machines in local neighborhoods	• Implementation of a parcel vending machine agnostic model based on making vending machines available to all providers, which will reduce the number of APMs • Wide public consultations with experts from NGOs, local communities and representatives of the public administration, resulting in solutions to reduce the nuisance of the machines: planting with greenery, reducing light pollution, reducing noise, additional functions	Low	Medium	Medium	High	High

DECARBONIZATION STRATEGY

[E1-1]

The Allegro Group identifies mitigating the impacts, risks, and opportunities of climate change as a priority. Allegro Group is committed to minimizing environmental impacts across operations. That strategy helps in reducing risk and building a resilient business to navigate environmental challenges effectively.

The Allegro Group has set a goal of reducing greenhouse gas emissions by 43% (Scope 1 and 2) by 2030 compared to the base year of 2021. Moreover, within Scope 3, Allegro has committed to ensuring that

73% of all its suppliers, measured by their spend on purchased goods & services, capital goods, and downstream transportation and distribution, establish science-based targets by 2027. The reduction targets were established based on the Science Based Targets initiative (SBTi). The Allegro Group's approach aligns with the transition to a sustainable economy and supports the science-based target of limiting global warming to 1.5°C, as outlined in the Paris Agreement.

The decarbonization strategy of the Allegro Group is based on five principles.

The 5 principles of Allegro Group's decarbonization strategy

1.	Ensure that the electric energy is sourced from renewable sources, primarily through Power Purchase Agreements (PPA) or, alternatively, with guarantees of origin
2.	Implement where feasible, the energy-saving initiatives in data centers, warehouses, sorting hubs, depots, offices, APMs
3.	Reduce emissions related to shipping orders through implementing deliveries to automated parcel machines and consider (where possible) utilizing near zero emissions warehouses and hubs
4.	Offering climate education to stakeholders, including customers, business partners and merchants, in particular education and improvement of competence of the Allegro Group's employees related to climate and the environment
5.	Offsetting unavoidable emissions is a last resort and will be done following the Science Based Targets initiative guidelines, only after all possible emissions have been avoided and reduced

The Allegro Group employs decarbonization levers to reduce its carbon footprint and support sustainable development. The first lever is increasing the share of renewable energy in its energy mix, which helps to reduce greenhouse gas emissions associated with energy consumption.

Another decarbonization lever in the Allegro Group's decarbonization plan is investing in technologies and processes that allow for more efficient energy use. This includes the modernization of IT infrastructure and operations in warehouses, depots, and APMs.

The Allegro Group is also working on reducing emissions related to deliveries by expanding deliveries to automated parcel machines and promoting, where possible, the use of near-zero emissions warehouses and hubs. Additionally, the Allegro Group collaborates with suppliers and logistics partners to reduce emissions at every stage of the supply chain, including optimizing delivery routes and using more eco-friendly transportation methods. The Allegro Group also runs educational programs and initiatives to raise environmental awareness among employees, customers, and merchants. Offsetting unavoidable emissions is considered a last resort

and will be done following the Science Based Targets initiative guidelines, only after all possible emissions have been avoided and reduced. All actions taken in this regard are monitored to ensure that the changes implemented are positive from the perspective of decarbonization.

Allegro Group has implemented several key initiatives to support its transition plan for mitigating climate change, consistent with Taxonomy-aligned capital expenditures (CapEx) and Commission Delegated Regulation (EU) 2021/2178. The Allegro Group has invested in low-emission delivery solutions for parcel lockers and is utilizing renewable energy sources to power these lockers. According to third party analysis conducted for Allegro the last mile delivery to APMs contributes to a 32% reduction in carbon footprint compared to home courier deliveries. For more information on parcel lockers-related capital and operating expenses, please refer to the chapter The EU Taxonomy disclosures.

The Allegro Group currently does not disclose very detailed information regarding its capital expenditures and operating expenses allocated to the action plan except those disclosed in the Taxonomy. The plan is integrated across various parts of the organization, and the budget is similarly distributed among different departments. We recognize the importance of transparency and are committed to considering the disclosure of this information in future years as our processes and reporting practices evolve. The Allegro Group is not excluded from the reference indicators aligned with the Paris Agreement.

The Allegro Group plans to more accurately quantify the carbon footprint associated with its own services and, if applicable, assets in the upcoming years. Through this comprehensive analysis, Allegro Group may implement targeted approaches to address possible risks associated with inability to decarbonize locked-in emissions in Scope 1, 2, and 3. Currently, it is not possible to conduct a qualitative assessment of these emissions, which highlights the need for further evaluation and, if applicable, strategic planning in this area.

The Allegro Group's decarbonization plan is a fundamental aspect of its sustainability strategy, fully

integrated with its business strategy and financial planning. The Chief Operating Officer supervises and supports the realization of the plan. Decarbonisation actions are included in the strategic plan and updated annually by the relevant business units and persons responsible for the ESG area.

The initial decarbonization plan was developed and approved by the Board of Directors in 2022, laying the groundwork for the Allegro Group's sustainability goals. In 2024, the plan was updated to meet new regulatory requirements and operational insights, further strengthening its strategic alignment. The revised plan, approved by the Board of Directors in 2024, shows Allegro Group's adaptability and commitment to continuous improvement.

In 2024, the Allegro Group secured the use of renewable energy for 2025-2035 by signing a 10-year virtual Power Purchase Agreement for 220 GWh. Furthermore, in facilities powered by non-renewable energy, the Allegro Group is in discussions with their owners to change the type of energy supplied or to secure guarantees of origin in the Polish (PL) and Czech (CZ) markets. Moreover, by measuring energy consumption across various locations and closing down inefficient ones, we enhance our overall energy effectiveness, promoting a more sustainable and cost-efficient operation. Allegro is also focused on developing the APM network in Poland and the Czech Republic to promote low-emission delivery. Last but not least, the Allegro Group is focusing on transitioning to sustainable packaging as described in chapter E5. These initiatives are embedded in both the Allegro Group's operations and financial planning, demonstrating a long term commitment to operational efficiency and financial resilience. It is important to note that the Allegro Group's decarbonization plan does not have a significant impact on its own workforce resources.

[GOV-3]

Starting from 2024 the decarbonization goal related to the absolute reduction of Scope 1 and 2 emissions is factored into remuneration. The detailed description is provided in the subchapter The Board and Management's role and responsibilities in the ESRs 2 General disclosure chapter.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-2]

The Allegro Group's Climate and Environment Policy outlines the Allegro Group's strategy for managing impact, risks and opportunities and minimizing GHG emissions. Under the Policy, Allegro Group commits to maximise renewable energy use, reduce the carbon footprint in its operations and work with its business partners to reduce emissions across the value chain. The Policy incorporates IRO's as defined within the chapter E1 Climate change.

The Climate and Environment Policy of the Allegro Group, which applies to the entire Allegro Group own operations and relates to the value chain (upstream and downstream). All employees and contractors are responsible for implementing and applying the Climate and Environment Policy. The Group is committed to maximizing the use of renewable energy and collaborating with business partners to reduce emissions throughout the value chain. Climate and environmental initiatives reflect Allegro Group's efforts to consider the interests of its stakeholders. Among other things, during the double materiality analysis process, the Allegro Group gathered stakeholder opinions on its impact related to climate and environment. In its Climate and Environment Policy, the Allegro Group has adopted a comprehensive and structured approach towards sustainability, meticulously implementing a three-tiered hierarchy to reduce carbon emissions. The first tier, termed, Emission Avoidance, emphasises preventing emissions through strategic innovation and increased energy efficiency.

Following this, the Emission Reduction, i.e., the second tier focuses on reducing carbon output by optimising operational processes, adopting green energy solutions, and enhancing overall operational efficiency. The final tier, Compensation for Inevitable Emissions, involves a proactive approach to offsetting residual emissions. It's imperative to emphasise that purchased carbon offsets will be of the highest quality, sourced from credible and verified projects, ensuring their effectiveness in mitigating GHG emissions. This hierarchical structure enables the Allegro Group to prioritise actions and effectively manage its carbon footprint. The Allegro Group's efforts focus on both climate change mitigation and adaptation including sustainable logistics, low emission deliveries, energy effectiveness, renewable energy, the circular economy and education. The approach aligns with the approach of the Paris Agreement, which serves to coordinate global actions to limit climate change, effectively leading to reducing the global temperature increase to under 1.5°C, and the standards of the Science-Based Target initiative (SBTi).

The Policy was adopted by the Board of Directors and its implementation is overseen by ESGCo. The Allegro Group reviews and updates the Climate and Environment Policy at least once a year to stay aligned with the latest environmental trends and regulations. In case of Policy violations, the Allegro Group is committed to taking immediate corrective actions, and all irregularities are reported to the CEO. The Policy is publicly available on the Allegro Group's corporate website.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

[E1-4]

The Allegro Group has already set mid-term climate targets approved by Science Based Target initiative (SBTi), showcasing its commitment to mitigating climate change through emission reductions, renewable energy, active global participation, and transparent reporting. This dedication highlights the Allegro Group's ongoing efforts to adapt and achieve sustainability on its own. In this way, the Allegro Group limits its negative impact related to GHG emissions. These goals stem directly from the Climate and Environment Policy.

The Allegro Group has set an ambitious goal of reducing greenhouse gas emissions by 43% by 2030 (Scope 1 and 2) compared to the base year of 2021. The target in Scope 1 and 2 is set on absolute terms on a gross emission reduction (with no removals, carbon credits or avoided emissions).

In 2024, the Allegro Group decided to revise its target for its own operations, which previously aimed for a 38% reduction in GHG emissions. Additionally, the base year was recalculated to include emissions from foreign entities acquired in 2022 (i.e., Mall Group, Mimovrste, and WE|DO) from the period before the merger. As a result, the emissions of all significant companies within the Allegro Group were taken into account. Consequently, this means a greater reduction in GHG emissions is necessary to achieve the intended target for 2030. No significant anomalies in energy consumption were recorded for the base year compared to the subsequent years within the Allegro Group.

The target of reducing GHG emissions by 43% is absolute, and its achievement is measured in carbon dioxide equivalent (in line with disclosure (E1-6) AR39c), which is expected to be 8 thousand tons of CO₂e by 2030, compared to 14.2 thousand CO₂e tons in 2021 (Scopes 1 and 2). The former target (38% reduction in Scopes 1 and 2) assumed a reduction from 11.7 thousand tons of CO₂e to 7 thousand tons of CO₂e, respectively. For reduction targets for Scope 1 and 2, carbon dioxide equivalent is taken into account, which is in line with the method adopted by the Allegro Group for presenting

emissions data. The relevant calculations to set the target were made using the GHG Protocol method, according to which the Allegro Group calculates its emissions.

Moreover, within Scope 3, the Allegro Group has committed to ensuring that 73% of suppliers, measured by the spend on purchased goods & services, capital goods, and transportation and distribution, establish science-based targets by 2027. Progress in achieving this goal is evaluated as the proportion of supplier spending on those with such targets compared to the total supplier spending. In 2024, there were 56% suppliers serving the Allegro Group that established science-based reduction targets.

These targets were formulated using rigorous scientific methodology defined by the Science Based Targets initiative (SBTi) based on a sectoral decarbonisation pathway and aligned with the path set to achieve the 1.5°C target set out in the Paris Agreement. A few scenarios were considered when setting the goals based on the market trends, operational plans and regulatory factors.

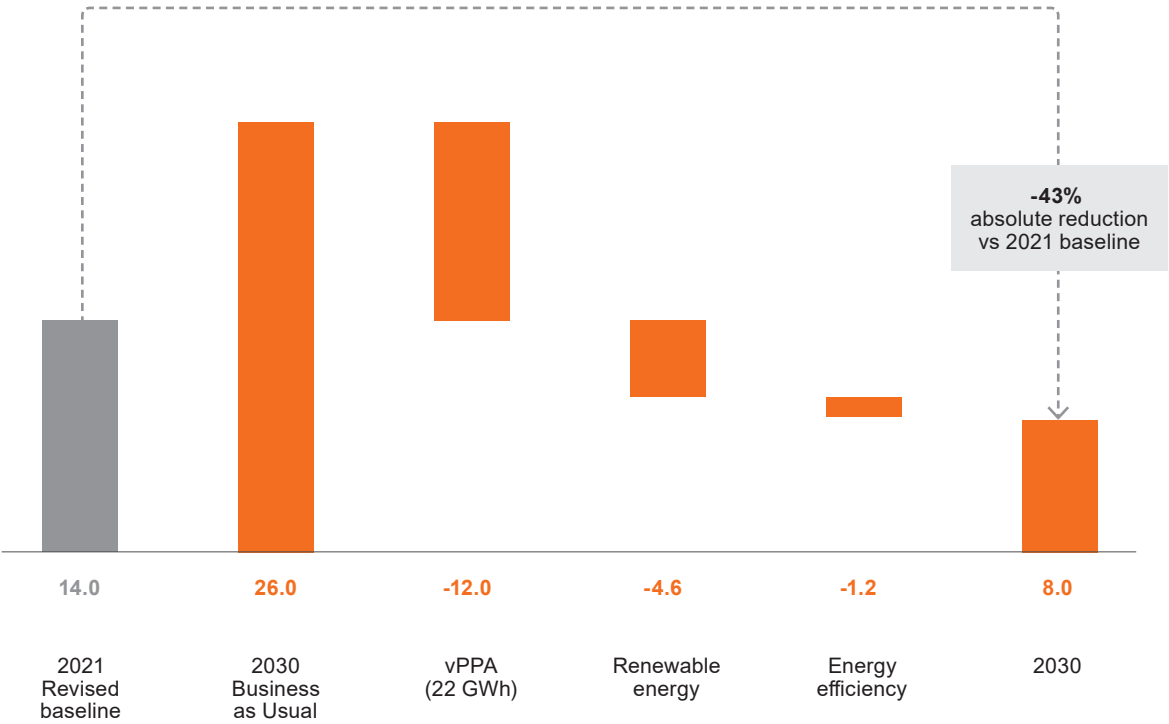
The Allegro Group's Board of Directors has approved the decarbonization plan and targets for its own operations along with the quantified expected decarbonization levers.

The Allegro Group does not plan to utilize carbon offsetting or other technologies aimed at storing emitted greenhouse gases. The achieving of the decarbonisation plan does not depend on the implementation of new technologies.

Additionally, the Allegro Group has analyzed the impact of planned decarbonization actions and the potential absence of such actions on the level of greenhouse gas emissions in the context of four different scenarios for the future development of the Allegro Group.

Allegro participates in global climate and environmental initiatives, such as the UN Global Compact Climate Positive Program.

Carbon footprint, market-based, Scope 1&2 (k tCO₂e)



Scope	Decarbonization levers	Expected quantitative contribution
2	vPPA agreement signed in 2023/2024	12k tCO ₂ e / year
2	Renewable energy	4.6k tCO ₂ e / year
1 and 2	Energy efficiency program	1.2k tCO ₂ e / year
1 and 2	Near zero emissions warehouses and hubs	Negligible impact <1k tCO ₂ e/year

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

[E1-3]

The Allegro Group is pursuing various actions aimed at climate change mitigation. One of the actions in its own operations aimed at achieving the set goal is the transition to energy from renewable sources. In 2024 Allegro Sp. z o.o. signed a vPPA with R.Pow-er and investment banks. This deal is for 22GWh yearly and starting from mid 2025 will help Allegro cut down on its CO2 emissions by nearly 12k tons yearly in Scope 2. This agreement is a big step for the Allegro Group to meet its climate change goals. Furthermore it offers price stability and enables bank financing for other energy projects. Moreover, the Allegro Group representatives are cooperating with landlords (in their own operations) to transition to renewable energy tariffs and secure guarantees of origin for major offices, warehouses, and depots. The Allegro Group's own APMs, both in Poland and the Czech Republic, utilize energy sourced from renewable origins as confirmed by guarantees of origin. As a result, in 2024, the share of renewable energy significantly increased from 14% to 26%.

The use of renewable energy sources is not all of the Allegro Group's activities. Significant progress in own operations has also been made in implementing energy efficiency through monitoring energy usage per location and implementing the energy efficiency actions like closing the inefficient locations or installing more energy efficient infrastructure. As a result, in 2024, the energy intensity improved to 3.9 MWh/mPLN (vs 4.0 MWh/mPLN in 2023).

The Allegro Group's Climate and Environment Policy does not currently include adaptation to climate change, as the assessed risks are low. However, the Allegro Group remains committed to monitoring and managing any potential future risks. These actions demonstrate the Allegro Group's commitment to reducing its carbon footprint and supporting its climate goals.

A key action of the Allegro Group, which also pertains to its value chain (downstream), is reducing emis-sions related to logistics. The last mile is significantly lower than when using the courier option. With APMs, the courier leaves many packages in one location rather than visiting a number of homes, leading to fewer kilometres driven and less petrol or diesel consumed. As of 31.12.2024, the Allegro Group had 5,068 automated parcel machines. Ac-cording to Allegro Group's own calculations, as well as other research in the industry, delivering to APMs produce considerably fewer GHG emissions than direct delivery (i.e., courier services). On average, emissions are lower by around 30%. Expansion of the network of Allegro One Box parcel machines (APMs) and the cooperation with Paczkomaty Inpost enabled Allegro Group to optimize the transport network and avoid the carbon footprint in the last mile by 7,169 tCO2e.

The table below presents the achieved and expected results of decarbonization actions.

Climate-related initiatives summary

Initiative	Achieved GHG reduction	Expected GHG reduction ^[1]
vPPA	The estimated value of avoided emissions approx. 143,000 tons of CO2e in 2025-2035	—
Guarantees of origin	The estimated value of avoided emissions is 6,564 tons of CO2e in 2024	On track
Energy effectiveness	The estimated value of avoided emissions is 1,819 tons of CO2e in 2024	On track
Promoting low emission deliveries	The estimated value of maximum avoided emissions is 7,169 tons of CO2e in 2024	On track

The Allegro Group allocates capital expenditures and has operational expenses related to the instal-lation of automated parcel machines that promote low-emission transport for parcel deliveries. In 2024, the CapEx amounted to mPLN 103.7, while the OpEx totaled mPLN 11 (detailed information is described in the The EU Taxonomy disclosures chap-ter). Additionally, no significant capital expenditures or operational expenses related to climate change issues were recorded.

The actions taken by the Allegro Group aim to imple-ment the provisions of the Climate and Environment Policy and help achieve the established targets. The Allegro Group's above-mentioned actions for reduc-ing greenhouse gas emissions prioritizes focusing on the first 3-4 years to significantly decrease emission

intensity per million in revenue and lay the ground-work for achieving its target. The actions aimed at this goal are being implemented starting in 2023 and will accelerate from 2025 and will continue until 2030 or until the target is reached. The Allegro Group's ability to implement its climate-related actions does not significantly depend on external financing, as the Allegro Group has the necessary resources to support these initiatives. However, their success partially relies on external factors, such as the availability of renewable energy and the regulatory environment. Ensuring access to renewable energy and a stable regulatory framework is essential for achieving the Allegro Group's environmental goals and decarbonization plans effectively and within the expected timeframe.

[1] On track +/-10% vs expected reduction

This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

ENERGY CONSUMPTION AND MIX

[E1-5]

Energy consumption

The structure of energy consumption, including the proportion of energy derived from renewable sources, allows for the assessment of the Allegro Group's progress toward its goal of 43% reduction of carbon footprint emissions in Scope 1 and 2 by 2030 in comparison to 2021.

The Allegro Group does not produce renewable energy. At the same time, it burns natural gas or fuel oil in its facilities to generate thermal energy

for heating the building. The Allegro Group does not consume coal and coal products in its operations. The percentage share of fossil sources (gas, diesel, petrol) in total energy consumption declined to 67%, whereas the share of renewable energy in total energy consumption grew from 14% in 2023 to 26% in 2024. The Allegro Group secured guarantees of origin for the electrical energy consumed by Allegro One Box parcel machines, fulfillment centers, selected depots and offices. Detailed information about the energy consumption mix is presented in the table below.

Energy consumption and mix

Allegro Group [MWh]	2024	2023	% change 2024/2023
Total energy consumption from fossil sources	28,682	31,534 ^[1]	-9%
Fuel consumption from coal and coal products	0	0	+0%
Fuel consumption from crude oil and petroleum products	1,978	2,480	-20%
Fuel consumption from natural gas	4,064	5,039 ^[1]	-19%
Fuel consumption from other fossil sources	0	0	+0%
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	22,640	24,015	-6%
% energy consumption from fossil sources	67%	77%	-10pp
Total energy consumption from nuclear sources	2,862	3,714	-23%
% energy consumption from nuclear sources	7%	9%	-2pp
Total energy consumption from renewable sources	11,142	5,533	+101%
Fuel consumption for renewable sources including biomass, biofuels, biogas, hydrogen from renewable sources	0	0	+0%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources based on guarantees of origin	11,142	5,533	+101%
Consumption of self-generated non-fuel renewable energy	0	0	+0%
% energy consumption from renewable sources based on guarantees of origin	26%	14%	+12pp
Total energy consumption	42,686	40,782 ^[1]	+5%

[1] The Allegro Group discovered a mathematical error in its corresponding figures resulting in understatement of natural gas consumption in 2023 by 1,473 MWh. The comparatives were restated accordingly. The table below presents the impact of the restatement.

Energy consumption and mix

Category [MWh]	Restated 2023	Reported 2023
Fuel consumption from natural gas	5,039	3,566
Total energy consumption from fossil sources	31,534	33,776
Total energy consumption	40,782	39,309

ACCOUNTING PRINCIPLES

Total energy consumption related to own operations includes fuel consumption at leased sites, fuel consumption in leased vehicles, and consumption of purchased energy (electricity, heat and cooling). Energy consumption data is reported by each market per energy type. The purchased energy can be split into renewable (with guarantees of origin) and non-renewable.

Energy intensity based on net revenue

The Allegro Group has identified that its operations qualify for two sectors with a significant impact on the climate – Transportation and storage, and Wholesale and retail trade.

Sector	Energy intensity per net revenue in high climate impact sectors [MWh/mPLN]	Total energy consumption [MWh]	Net revenue [mPLN]
Transportation and storage	59	13,856	234
Wholesale and retail trade	1	1,116	1,669

ACCOUNTING PRINCIPLES

In 2024, the net revenue from the Allegro Group's operations amounted to mPLN 234 for transportation and storage and mPLN 1,669 for wholesale and retail trade. Thus, this serves as the denominator in the calculations of energy intensity, with the total energy consumption in those sectors serving as the numerator.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

[E1-6]

GHG emissions

The emissions of greenhouse gases encompass the Allegro Group (Allegro.eu and all its subsidiaries) on a consolidated level similar to the consolidated financial statements.

In 2024, a 19% reduction was achieved in Scope 1 and 2, calculated using the market-based method,

confirming the effectiveness of the Allegro Group's decarbonization efforts, such as the purchase of energy from renewable sources and improvements in energy efficiency. Additionally, the Allegro Group disaggregates data on emissions from its operations in Poland, which accounts for the majority of emissions and generated revenues.

Gross GHG emissions

Allegro Group GHG emissions [tCO ₂ e]	2024	2023	2021 base year	% change 2024/2023	% change 2024/2021
Gross Scope 1 GHG emissions	1,301	1,675 ^[1]	2,162	-22%	-40%
% Scope 1 from regulated emission trading schemes	0%	0%	0%	—	—
Gross location-based Scope 2 GHG emissions	18,893	18,951	12,290	-0%	+54%
Gross market-based Scope 2 GHG emissions	12,758	15,660	12,030	-19%	+6%
Gross location-based Scope 1, 2	20,195	20,626 ^[1]	14,452	-2%	+40%
Gross market-based Scope 1, 2	14,060	17,335 ^[1]	14,192	-19%	-1%

GHG emission restatements

Allegro Group GHG emissions [tCO ₂ e]	Restated 2023	Reported 2023
Gross Scope 1	1,675	1,378
Gross location-based Scope 1, 2	20,626	20,329
Gross market-based Scope 1, 2	17,335	17,038

[1] The Allegro Group discovered a mathematical error in its corresponding figures resulting in understatement of Scope 1 emissions of natural gas in one of the warehouses in Poland in 2023 by 297t CO₂e. The comparatives were restated accordingly. The table below presents the impact of the restatement.

Gross GHG emissions (Polish operations)

Polish operations GHG emissions [tCO ₂ e]	2024	2023	2021 base year	% change 2024/2023	% change 2024/2021
Gross Scope 1 GHG emissions	702	839 ^[1]	580	-16%	+2%
% Scope 1 from regulated emission trading schemes	0%	0%	0%	—	—
Gross location-based Scope 2 GHG emissions	16,347	15,986	11,382	+2%	+44%
Gross market-based Scope 2 GHG emissions	10,537	12,712	11,122	-17%	-5%
Gross location-based Scope 1, 2	17,049	16,825 ^[1]	11,962	+1%	+43%
Gross market-based Scope 1, 2	11,239	13,551 ^[1]	11,702	-17%	-4%

GHG emission restatements (Polish operations)

Polish operations GHG emissions [tCO ₂ e]	Restated 2023	Reported 2023
Gross Scope 1	839	542
Gross location-based Scope 1, 2	16,825	16,528
Gross market-based Scope 1, 2	13,551	13,254

[1] The Allegro Group discovered a mathematical error in its corresponding figures resulting in understatement of Scope 1 emissions of natural gas in one of the warehouses in Poland in 2023 by 297t CO₂e. The comparatives were restated accordingly. The table below presents the impact of the restatement.

The emissions from Scope 3 primarily originate from services related to the maintenance of the marketplace and purchased products. The busi-

ness operations in Poland are responsible for 70% of the Allegro Group's emissions.

Gross GHG emissions

GHG emissions [tCO2e]	2024 Allegro Group	2024 Polish operations
Total Gross indirect Scope 3 GHG emissions	491,271	346,031
1. Purchased goods and services	322,634	235,321
2. Capital goods	18,602	16,257
3. Fuel and energy-related activities	2,147	1,647
4. Upstream transportation and distribution	6,999	5,078
9. Downstream transportation and transportation	74,841	72,713
11. Use of sold products	61,485	13,099
12. End-of-life treatment of sold products	4,563	1,915
Total GHG emissions Scope 1, 2, 3 (market-based)	505,331	357,270
Total GHG emissions Scope 1, 2, 3 (location-based)	511,466	363,080

Owing to the revision of the exiobase emission factors, the comparability of Scope 3 data has been affected. Consequently, Allegro Group has decided not to compare the Scope 3 data for the years 2023 and 2024.

With regards to biogenic emissions 25.5 tons of biogenic emissions were included in the Scope 1 calculation. The emission factors used to calculate Scope 2 emissions do not separate the percentage of biomass or biogenic emissions.

The Allegro Group has no activities related to removals and storage activity, and no carbon credits are used in decarbonization.

The Allegro Group calculates its greenhouse gas emissions annually and updates its emission factors if more up-to-date factors are available. The presented GHG emissions were validated only by the assurance provider.

The Allegro Group uses guarantees of origin to reduce its carbon footprint calculated according to the market-based method. To this end, the Allegro Group receives from landlords guarantees of origin on the Commodity Exchange (TGE) in Poland and through the Operator of the Energy Market (OTE), which is the Czech commodity energy exchange. The Allegro Group also buys guarantees of origin directly for APMs and selected operations. The Allegro Group used 11,142 MWh of guarantees of origin for the electricity consumed, of which 10,508 MWh (94%) of the guarantees were redeemed. The difference between the used guarantees of origin and the redeemed guarantees of origin arises from legal regulations that provide a 90-day period for redemption. Consequently, 634 MWh (6%) of the used guarantees of origin will be redeemed.

The Allegro Group cooperates with suppliers to achieve goals aligned with the Science Based Targets initiative (SBTi). In 2024 over half of the suppliers,

particularly the largest IT and logistics solution providers, have already established emission reduction targets in line with SBTi guidelines.

Scope 3 engagement target

	2024 Allegro Group	2024 Allegro Sp z o.o.	Target
Share of suppliers by spend that established science-based reduction targets	56%	68%	73%



ACCOUNTING PRINCIPLES

GHG emissions of the Allegro Group were calculated in accordance with The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard Revised Edition (2024) and Science Based Targets initiative Corporate near-term criteria (revision 2024). The carbon footprint calculation is a widely accepted methodology and aligns with market benchmarks, incorporating the latest indicators from KOBIZE (The National Centre for Emissions Management), DEFRA 2024, and the Exiobase 3.8.2 database, ensuring the most accurate and up-to-date calculation possible. The greenhouse gases identified and included in the calculation are CO2, CH4 and N2O, which have been expressed as CO2 equivalent.

Calculations were made for each subsidiary and the results were consolidated according to the operational control approach. Based on the organizational boundaries the Allegro Group determined which of Allegro Group's business operations were included in scope for its greenhouse gas (GHG) inventory and reporting. For own operations (Scope 1 and 2) the amount of emissions from the production of consumed electricity was calculated according to two methods: location-based (electricity related emissions calculated using country average emission factors) and market-based (electricity-related emissions calculated using the energy seller specific emission factor). In the location-based method, the average emission factors for countries were used. In the market-based method, emission factors for energy suppliers were used. For locations, where market-specific emission factors were not available, location-specific emission factors were adopted, with the understanding that data will be improved in the following year. For Poland the source of the emission factors were: for electric energy in the location-based approach – KOBIZE (The National Centre for Emissions Management) with DEFRA modifier used to transform CO2 to equivalent CO2; in the market-based approach – energy suppliers; for heating – data published by the Energy Regulatory Office. For operations outside of Poland the source of the emission factors were: for electric energy in the location-based approach – European Environment Agency; in the market-based approach – suppliers; for heating – DEFRA 2024 (Department of Environment, Food and Rural Affairs in the British Government, Greenhouse gas reporting: conversion factors 2024). Global Warming Potential (GWP) factors were based on the United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) were used.

In 2024, the base year was recalculated to include the emissions of the foreign entities acquired in 2022, which also affected the change in the Allegro Group's greenhouse gas emission reduction target. The recalculation was made on spend based methods using Exiobase emission factors.

The Allegro Group measures and discloses Scope 3 emissions to comprehensively show the impact it exerts on the climate. Scope 3 GHG emissions include indirect emissions generated in different elements of the Allegro Group's value chain, not covered in Scopes 1 and 2. Categories reported in this Scope include: purchased goods and services, capital goods, fuel – and energy-related activities not included in Scope 1 or Scope 2, upstream transportation, downstream transportation, use of products sold, end of life phase.

Scope 3 emissions were calculated as specified below:

Category 1 – Purchased goods and services: includes cradle-to-gate GHG emissions from the production of goods, both tangible products and intangible services, purchased by the Allegro Group, i.e., emissions from 1P retail operations, packaging materials, cloud services and other goods and services accounted for as operating expenses incurred by the Allegro Group. Calculations based on DEFRA 2024 and Exiobase 3.8.2. Database.

ACCOUNTING
PRINCIPLES

Category 2 – Capital goods: emissions from tangible assets booked as capital expenditure not included elsewhere, emissions from the purchase of Allegro One Box parcel machines and associated IT equipment. Calculations based on DEFRA 2024 and Exiobase 3.8.2 database.

Category 3 – Well-to-tank (WTT): emissions from the production and distribution of fuels and energy, not included in Scope 1 or Scope 2 based on real consumption and DEFRA 2024 emission factors.

Category 4 – Upstream transportation: includes all purchased transportation and distribution services purchased by the Allegro Group from tier 1 suppliers. This transport includes emissions from package transportation, both incoming to Allegro Group's warehouses and outgoing to end consumers, which are directly influenced by tier 1 courier firms in relation to the Allegro Group. Several methods have been used to calculate the category 4 emissions i.e., based on:

- GHG emissions calculated and obtained from parcel carriers
- Estimates on GHG emission factor/package from parcel carriers
- Spend-based method for remaining parcel transportation using the emission factor from Exiobase 3.4 – “Other purchased transportation services”

Category 9 – Downstream transportation: transportation of sold products by means of transport independent from the Allegro Group. Several methods have been used to calculate the category 9 emissions i.e., based on: a brokerage system which offers the Allegro Group's customers the delivery of parcels with a minimum of six different courier companies and Allegro SMART! deliveries. The related GHG emissions have been calculated based on the similar methods as for category 4.

Category 11 – Use of products sold: direct (Scope 1) and indirect (Scope 2) emissions from the use of energy consuming products, sold to end users. To establish the volumes and groups of goods sold in 1P were grouped (for large electrical items, small electrical items, IT and fridges and freezers) and mapped into categories corresponding to DEFRA's emission factors pertaining to primary material use/waste disposal. The per item lifespan emissions values were derived in multiple ways, depending on the quality of data publicly available.

Category 12 – End of life phase: related to the treatment of sold products in 1P at the end of their life. Method used to calculate the emissions is based on: categorisation and weights of products sold, and DEFRA 2024 emission factors.

Emissions from categories 8, 10, 13, 14, and 15 are not applicable to the Allegro Group.

Based on immaterial impact compared to extensive effort to collect the data, the categories 5, 6 and 7 were excluded from Scope 3 GHG inventory. The estimated share of these categories does not exceed 1% of total GHG emissions (location-based) which is in accordance with Science Base Targets mid term target guidelines.

In the context of calculating the carbon footprint, greenhouse gas emissions in Scope 3 of the Allegro Group are analyzed in the following categories: 1 (emissions related to purchased goods and services), 2 (emissions related to the transportation of purchased goods), 3 (emissions related to transportation and distribution), 4 (emissions related to the use of sold products), 9 (emissions related to the transportation and distribution of sold products), 11 (emissions related to the end-of-life of products), and 12 (emissions related to investments). In this analysis, the Allegro Group uses input data from specific activities within its value chain, both upstream and downstream, allowing for more accurate estimation of emissions. In particular, 10% of the data regarding emissions in Scope 3 has been calculated using primary data obtained from suppliers and other partners in the value chain. This primary data includes detailed information on energy consumption, transportation, and other processes that impact total greenhouse gas emissions. As a result, the Allegro Group can ensure greater accuracy and reliability in its calculations related to the carbon footprint.

With regards to Scope 3 suppliers engagement target, the process of monitoring implemented at Allegro was inspired by the SBTi methodology (Engaging supply chains on the decarbonization journey). Allegro Group considers suppliers to be “engaged” when they have set decarbonisation targets in line with scientific knowledge (i.e., in line with the 1.5°C pathway for Scope 1 and 2 and below 2°C for Scope 3) and reliably demonstrate their emissions.

GHG intensity based on net revenue

The Allegro Group discloses the intensity of greenhouse gas emissions, allowing for the assessment of the effectiveness of actions aimed at reducing emissions while simultaneously growing the business. This information demonstrates the Allegro Group's commitment to combating climate change.

The results regarding GHG emissions intensity per revenue for the Allegro Group show significant progress in emission reductions, which is a result of improvements in energy efficiency and the purchase of green energy. In 2024, the emissions intensity from Scope 1 and 2 was 8% lower than in 2023 and 32% lower than in 2021. The market-based emissions intensity decreased by 24% compared to 2023 and by 52% compared to 2021.

GHG emissions intensity per revenue

Allegro Group	2024	2023	2021 base year	% change 2024/2023	% change 2024/2021
[tCO ₂ e/mPLN]					
Gross location-based Scope 1, 2 emissions intensity	1.8	2.0	2.7	-8%	-32%
Gross market-based Scope 1, 2 emissions intensity	1.3	1.7	2.7	-24%	-52%
[tCO ₂ e/mEUR]					
Gross location-based Scope 1, 2 emissions intensity	7.9	9.1	12.4	-13%	-36%
Gross market-based Scope 1, 2 emissions intensity	5.5	7.7	12.1	-28%	-54%

GHG emissions intensity per revenue

Allegro Group	2024 [tCO ₂ e/mPLN]	2024 [tCO ₂ e/mEUR]
Gross Scope 3 emissions intensity	44.9	193.4
Total GHG emissions (market-based) per net revenue	46.2	198.9
Total GHG emissions (location-based) per net revenue	46.8	201.3

ACCOUNTING
PRINCIPLES

In 2024, the net revenue from the Allegro Group's operations amounted to mPLN 10,940 (mEUR 2,540), as disclosed in the Allegro Group's consolidated financial statements. Thus, this serves as the denominator in the calculations of greenhouse gas emission intensity.

E5 RESOURCE USE AND CIRCULAR ECONOMY

IMPACT, RISK AND OPPORTUNITY (IRO)

[IRO-1]

The impacts, risks, and opportunities of the Allegro Group were identified in 2024 during the double materiality analysis. In the context of resource use and circular economy the Allegro Group identified 8 IROs presented in the table below. A detailed description of the process (including stakeholder consultation process) can be found in the ESR52 chapter.

The Allegro Group conducted an analysis of waste generation within its operations. This included an assessment of the types of waste produced, their quantities, and the methods employed for their management. The Allegro Group also identified risks related to the insufficient availability of sustainable materials, which could affect its ability to meet sustainability goals and comply with regulatory requirements.

List of the Allegro Group's material impacts, risks and opportunities

Material topic	Type of material IRO	Material IRO	Value chain part
Sustainable packaging	Negative actual impact	The rise of e-commerce marketplace has significantly increased the demand for packaging solutions	Own operations, upstream and downstream
	Negative actual impact	Increase of amount of waste due to increasing the scale of the Allegro Group's operations	Own operations, upstream and downstream
	Risk	Potential challenges to deliver a transformation in packaging on the marketplace due to limited influence on merchants	Own operations, upstream and downstream
	Positive potential impact	Implementation of sustainable packaging in Allegro Group's own operations	Own operations
More sustainable products and services	Negative potential impact	The convenience of shopping on the Allegro online marketplace can encourage excessive consumption	Downstream
	Risk	Insufficient consumer appetite to pay for sustainable alternatives results in lack of selection of sustainable offers	Own operations, downstream
	Opportunity	Opportunity to offer a sustainable product range on Allegro's platform	Own operations, upstream and downstream
	Positive potential impact	The offers with sustainable products (with certification) can positively influence consumer habits	Own operations, upstream and downstream

As part of the double materiality analysis, the employee, merchants and customer surveys were crucial for understanding the nature of concerns and aspirations, ensuring that the materiality analysis would reflect major stakeholders' views and opinions. Additionally, the Allegro Group analyzed industry reports and considered benchmarking analyses for the sector in which it operates to include also the voice of silent stakeholders: affected communities and environment.

The final IRO determination took into account stakeholders' feedback, merchants research, industry guidelines presenting value chain, and detailed data on packaging usage and waste from locations where the Allegro Group conducts its operations in all subsidiaries. For both waste and packaging, the data comes from internal resources. The Allegro Group conducts ongoing monitoring of waste generated from its operations and buildings (quantitative method). The consumption of packaging is also monitored by category (quantitative method).

The Allegro Group utilizes a variety of resources in waste management, focusing on materials that are durable and recyclable. Among the types of materials are wood, plastics, paper, and packaging. Allegro adheres to the waste hierarchy, which means they prioritize preventing waste generation, as well as reuse and recycling. When selecting materials, the Allegro Group prefers those with a high recycled content.

The negative actual impact associated with the increase of waste due to increasing the Allegro Group's operations is linked to the business model. It stems from the Allegro Group's own operations, referred to as 1P, as well as from merchants, referred to as 3P. A second negative actual impact is related to the rise of the e-commerce marketplace, which has significantly increased the demand for packaging solutions. Another negative potential impact is also directly associated with the Allegro Group's business model, as the convenience of shopping on the Allegro online marketplace can encourage excessive consumption. This can lead to increased demand for packaging and a greater amount of waste.

With this in mind, the Allegro Group exerts a positive potential impact through the implementation of sustainable packaging in its own operations. The Allegro Group is introducing solutions that promote circularity and is adding sustainable products (with certifications) to its offerings, which can positively influence consumer habits. However, this may lead to the risk of insufficient consumer appetite to pay for sustainable alternatives, resulting in a lack of selection of sustainable offers. As the number of orders processed increases, there are potential challenges in delivering a transformation in packaging on the marketplace due to limited influence on merchants.

As part of the double materiality analysis, the Allegro Group has identified an opportunity related to the transition to a circular economy, which is the offering of a sustainable product range on Allegro's platform.

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

[E5-1]

The Allegro Group has adopted the Circularity and Waste Policy to address its material impacts, risks, and opportunities related to resource use and the circular economy. The policy's general objectives include achieving 100% sustainable packaging in its own operations by 2028, reducing environmental impact, and closing the loop on waste. Key elements include adherence to principles of eco-design, reduction, reuse, and recycling throughout the product life cycle.

Material impacts and risks managed by the policy include packaging waste, resource consumption, and compliance with EU regulations, such as the Packaging and Packaging Waste Regulation (PPWR) and the Single-Use Plastics Directive (SUP).

The policy addresses the risk of low appetite for sustainable packaging and the reluctance of merchants to adopt it, assuming the education of customers and merchants about the benefits of using sustainable packaging. The policy outlines preferred methods for waste management and thus manages the negative impact resulting from the increasing amount of waste. In accordance with the provisions of the policy, the Allegro Group works closely with its partners to ensure that sustainable packaging solutions are continuously developed, improved, and made available to the Allegro Group. Last but not least the policy is an enabler for opportunities focusing on fostering a circular economy through sustainable materials and improved recycling processes. The policy is monitored through regular review and reporting by the Operations Sustainability Team, which tracks waste generation, recycling activities, and compliance with environmental regulations.

Policies

Area	Material IRO	Corresponding policy
Sustainable packaging	The rise of e-commerce marketplace has significantly increased the demand for packaging solutions	The Circularity and Waste Policy
	Increase of amount of waste due to increasing the scale of the Allegro Group's operations	
	Potential challenges to deliver a transformation in packaging on the marketplace due to limited influence on merchants	
	Implementation of sustainable packaging in Allegro Group's own operations	
More sustainable products and services	The convenience of shopping on the Allegro online marketplace can encourage excessive consumption	
	Insufficient consumer appetite to pay for sustainable alternatives results in lack of selection of sustainable offers	
	Opportunity to offer a sustainable product range on Allegro's platforms	
	The offers with sustainable products (with certification) can positively influence consumer habits	

The Circularity and Waste Policy applies to all activities within Allegro.eu and its subsidiaries, encompassing offices, warehouses, hubs, depots, and other operational facilities. It also includes upstream and downstream value chain activities, particularly concerning suppliers and customers.

The Allegro Group's Circularity and Waste Policy addresses the transition away from virgin resources by emphasizing the use of secondary (recycled) materials in its packaging. Specifically:

- The Allegro Group promotes mono-material packaging and sustainable packaging, which means shipment without packaging or reused packaging or material with a minimum of 70% recycled content or compostable packaging confirmed with certificates or 100% recyclable packaging. Each part of sustainable packaging (box, tape, fillers or stretch foil) must meet at least one out of the criteria described above
- The Allegro Group processes waste paper into fillers for packaging, contributing to a circular use of materials

The Policy includes sustainable sourcing practices by prioritizing eco-design and the use of materials certified for sustainability (e.g., FSC-certified cardboard). The Circularity and Waste Policy is structured around the principles of a circular economy, ensuring that materials are sourced and used sustainably wherever possible. The Allegro Group's Circularity and Waste Policy refers to the waste hierarchy, emphasizing prevention, reduction, reuse, and recycling to minimize environmental harm. The Allegro Group applies eco-design and primarily reduces the amount of materials used, as well as uses sustainable packaging made from recycled materials. By using mono-material packaging, the Allegro Group facilitates the subsequent recycling of packaging. Actions resulting from the Policy are described later in this chapter.

The Circularity and Waste Policy references compliance with several third-party standards and initiatives, including:

- The Ellen MacArthur Foundation's principles of the circular economy to guide sustainable practices
- The Packaging and Packaging Waste Regulation (PPWR) to reduce packaging waste and promote recycling
- The Single-Use Plastics Directive (SUP) to mitigate the environmental impact of single-use plastics
- Extended Producer Responsibility (EPR) frameworks that assign producers greater accountability for the entire lifecycle of their products

The Operations Sustainability Team is responsible for the implementation and monitoring of the Circularity and Waste Policy. Ultimate accountability lies with the Board of Directors, which validates Policy updates and ensures alignment with sustainability objectives.

The Circularity and Waste Policy is available for stakeholders via the website under the "Allegro.eu policies and statements". Additionally, in the suppliers code of conduct Allegro Group requires to minimize the amount of waste generated.

The Allegro Group has not adopted a policy that directly addresses broader sustainability challenges, such as overconsumption and overproduction, low demand for sustainable offerings, the possibility of creating a sustainable product range, and Allegro products with certifications. Since these aspects are not subject to specific regulatory requirements, Allegro has chosen to address them through targeted initiatives rather than dedicated policies, integrating them with ongoing sustainability efforts to make an impact on its business and the market.

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

[E5-3]

Reducing the environmental footprint through sustainable packaging is one of Allegro's main priorities. It is not only a matter of corporate responsibility, but also a strategic imperative to maintain customer loyalty and market position. Allegro has set an ambitious goal to transition 100% of its own packaging (in its own shop 1P and fulfillment 1F) to sustainable packaging by 2028. This commitment has been established voluntarily by Allegro, reflecting its proactive approach to sustainability rather than a response to regulatory requirements. There is no baseline year against which measurements are made.

For the packaging to be considered sustainable, each part (box, tape, fillers, or stretch film) must meet criteria described in the subchapter Policies related to the resource use and circular economy. Target of the sustainable packaging share in own operations was set based on the stakeholder analysis and research among employees, merchants and customers. The final goal was developed by the operation team, business owner, business sponsor and approved by the Board of directors. In setting the goal, knowledge from the Ellen MacArthur Foundation was utilized, which is known for promoting the circular economy, including sustainable packaging. In its publications, it presents the benefits of reusing packaging and examples of implementations.

The Foundation has identified 21 actions that need to be taken to achieve goals related to the circular

economy. The Allegro Group also gathered customer opinions on which packaging they consider to be the most environmentally friendly.

The Allegro Group's goal focuses on monomaterial packaging, which makes it easier for customers to sort waste, thereby increasing the number of recyclable packages. The Allegro Group applies the principles of the circular economy, which encompass the entire product lifecycle, from eco-design to post-use waste management. Eco-design involves packaging in a way that minimizes their environmental impact from the outset.

The Allegro Group strives to minimize the use of virgin raw materials (plastic, paper) and optimize processes to reduce waste – products are shipped in the manufacturer's original packaging when possible, and orders are consolidated into a single package in fulfillment centers. Achieving the goal of 100% sustainable packaging by 2028 means that the Allegro Group will not use virgin materials in its packaging by then. Instead, it will use sustainable packaging and optimized processes.

The Allegro Group regularly tracks its progress toward achieving its strategic goals. Below, there is data for sustainable packaging share in own operations, highlighting the influence of the Allegro Group on the circular economy. In 2024, the Allegro Group achieved 70% sustainable packaging in its own operations which is 21 p.p. more vs last year.

In the table below, the performance of sustainability packaging target is presented.

Sustainable packaging indicators

Allegro Group	2024	2023	% change 2024/2023
Share of sustainable packaging in own operations	70%	49%	+21 p.p.

ACCOUNTING PRINCIPLES

The data disclosed in the table above regarding the percentage of sustainable packaging in its own operations is sourced from an internal database. Sustainable packaging means either shipment without packaging or reused packaging or material with a minimum of 70% recycled content or compostable packaging confirmed with certificates or 100% recyclable packaging. Each part of sustainable packaging (box, tape, fillers, or stretch foil) must meet at least one out of the criteria described above. The data pertains to the Allegro Group's warehouses and sorting hubs. Packaging is considered sustainable if each of its components meets the definition of sustainable packaging.

The Allegro Group's approach to waste management and packaging is structured around the waste hierarchy, emphasizing prevention, reduction, reuse, and recycling to mitigate environmental harm. Eco-design and reduction of the amount of used materials, either by shipping in own packaging (SIOP), consolidating orders where possible, or fitting the best size of the packaging to minimize the use of fillers, are related to prevention. If the parcel needs fillers, the Allegro Group prioritizes the use of self-made fillers crafted from shredded cardboard waste, which relates to recycling. The Allegro Group also uses mono-material packaging, which makes it easier for customers to segregate waste and increase recycling rates.

The Allegro Group places great importance on proper waste management, including preparing waste for appropriate processing. Therefore, waste management in warehouses aims to maximize recycling potential. The Allegro Group makes every

effort to sort waste to improve recycling capabilities. Waste records and reporting are also maintained in the BDO (Database on products and packaging and waste management) for each waste fraction, as well as annual reporting to Local Government Units – in accordance with applicable waste regulations. In terms of packaging materials, the Allegro Group also monitors and reports packaging and products introduced to the market. The Allegro Group also educates customers on proper product disposal and implements systems for efficient collection and recycling of post-consumer waste.

By decision of the Board of Directors, Allegro prioritizes its ESG actions and has decided to set ESG goals only for the most significant areas. Consequently, no other goals related to additional impacts, risks, and opportunities have been established. This approach aims to focus efforts on key aspects that have the greatest impact on the Allegro Group's sustainable development and its environment.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

[E5-2]

Sustainable packaging

The Allegro Group undertakes actions related to the circular economy and thus implements the provisions of the Circularity and Waste Policy. These actions are carried out both within its own operations and externally. Commitments for suppliers and business partners are outlined in the Supplier Code of Conduct, ensuring alignment with sustainable practices. In 2024, the Allegro Group intensified its efforts to support merchants and customers in transitioning towards circularity. As part of these initiatives, Allegro launched the “Eco Packaging Guide”, designed to educate both merchants and customers (upstream and downstream of the value chain) on sustainable packaging choices. This resource provides a clear overview of suitable materials, step-by-step instructions on implementing sustainable packaging solutions, and guidance on avoiding greenwashing — thereby helping merchants communicate their environmental commitments authentically. Through these efforts, Allegro supports its merchants in meeting both regulatory and sustainability targets, ultimately contributing to a more responsible and transparent marketplace. Additionally, Allegro continued Allegro Pack, a dedicated store offering merchants (upstream of the value chain) access to packaging materials at bulk-negotiated prices. This initiative not only provides cost-effective solutions but also promotes the use of sustainable packaging, such as cardboard boxes, paper fillers, and eco-friendly tape, reinforcing Allegro’s commitment to responsible commerce.

Whenever possible, products from own shop (1P) are shipped according to the “Ship in Own Packaging” principle, meaning without extra packaging. The label (shipping list) is affixed directly to the carton containing the product. In cases where this is not possible, Allegro Operations try to send packages using sustainable packaging materials – recycled cardboard, paper tape, and recyclable fillers. In the Adamów warehouse, a machine processes post-consumer cartons into necessary filling and cushioning materials used to protect packages. In this way, the Allegro Group contributes to reducing waste generation and reusing materials that

would otherwise become waste. The Allegro Group collaborates with suppliers on eco-design, which helps reduce production waste and use recyclable materials. Collaboration is also conducted with waste management service providers. Its goal is to improve recycling systems and support innovations in recycling processes. These actions implement the provisions of the Circularity and Waste Policy to reduce the amount of waste and increase the number of sustainable packaging solutions. In the coming years, the Allegro Group intends to continue its efforts so that by 2028, 100% of parcels will be sustainable in accordance with the definition agreed across Allegro Group’s own operations.

The Allegro Group currently does not disclose detailed information regarding its capital expenditures and operating expenses allocated to the circularity and waste action plan. The plan is integrated across various parts of the organization, and the CapEx and OpEx budget is distributed among different departments in a similar manner. We recognize the importance of transparency and are committed to considering the disclosure of this information in future years as our processes and reporting practices evolve.

More sustainable products and services

The Allegro Group addresses also overconsumption, overproduction, and low demand for sustainable products by expanding products with certificates offered. It is a specially curated section of products where consumers can find a diverse range of products that meet stringent environmental and social criteria. The Allegro platforms feature an array of items, from eco-friendly cosmetics and organic children’s products to sustainably produced cleaning agents and a diverse selection of food items, including niche categories like plant-based and vegan options. Each product listed under Allegro “Products with certificates” indication, boasts at least one recognized certification, such as the EU Organic Label, FairTrade, or Rainforest Alliance, ensuring that they adhere to high standards of organic cultivation, responsible resource management, health safety, and fair labour practices. These certifications represent a commitment to ethical production and

supply chain transparency, reflecting our dedication to responsible consumerism. Additionally, in the marketing communication platform the Allegro Group strives not to contribute to overconsumption but answer for consumer existing needs.

Allegro Group’s commitment to sustainability is evident in the approach to circularity, particularly through the concept of giving products a second life. This commitment is captured in the service known as Allegro Lokalnie – a platform where users can conveniently and securely sell and buy pre-owned

items. By promoting the reuse of items, the platform supports the idea of a circular economy and addresses the issue of overproduction by promoting a conscious approach to shopping.

This service offers economic benefits and also aligns with the goal of promoting circular shopping practices.

In the table below, the number of offers on the Allegro Lokalnie platform is presented (as of December 31, 2024).

Number of offers on the Allegro Lokalnie platform

Polish operations	2024
Offers (million)	4.96

Allegro Lokalnie promotes the second-hand economy and extends the lifecycle of products. Campaigns such as “Sell Unwanted Gifts” also encourage the resale of items that might otherwise be discarded. It is a step towards reducing waste and encouraging thoughtful consumption.

Last but not least, through Allegro Academy platform, the Allegro Group actively educates merchants on sustainable shipping practices, focusing on the selection, proper usage, and sourcing of sustainable packaging materials. By offering comprehensive training programs, Allegro ensures that merchants not only learn how to incorporate recycled, recyclable, and mono-material options into their packaging,

but also understand the relevant legal obligations and reporting requirements associated with introducing products to various markets.

The Allegro Group currently does not disclose detailed information regarding its capital expenditures and operating expenses allocated to sustainable products and services action plans. The plan is integrated across various parts of the organization, and the CapEx and OpEx budget is distributed among different departments in a similar manner. We recognize the importance of transparency and are committed to considering the disclosure of this information in future years as our processes and reporting practices evolve.

RESOURCE INFLOWS

[E5-4]

Various types of materials are used for packaging 1P shipments to ensure the safety of products. The Allegro Group, striving for sustainability, utilizes packaging materials that are, whenever possible, sourced from renewable sources.

In the table below, the detailed packaging material usage is presented.

Packaging materials usage

Mass [t]	Allegro Group 2024	Allegro Group 2023	% change 2024/2023
Non-renewable materials – total	213	245	-13%
Original stretch film – unrecycled	115	210	-45%
Half-pallet wood – unrecycled	61	19	+221%
Cardboard packaging – unrecycled	0	15	-100%
Duct tape	12	n/a	n/a
Labels – unrecycled Paper	19	n/a	n/a
LDPE foil	3	n/a	n/a
Ribbons	0	n/a	n/a
Thermoetics	2	n/a	n/a
Ink ribbon black for thermal painting	0	n/a	n/a
Renewable materials – total	1,434	1,901	-25%
Cardboard packaging – 100% of recycled paper	1,279	1,843	-31%
100% recycled foil fillers, HDPE foil	1	57	-98%
Other – kraft Paper (tape, filler)	143	n/a	n/a
Other – 100% of recycled (Paper filler)	11	n/a	n/a
Total weight of packaging	1,647	2,145	-23%
Share of non-renewable materials	13%	11.4%	+1.6 p.p.
Share of renewable materials	87%	88.6%	-1.6 p.p.

ACCOUNTING PRINCIPLES

The data in the table above regarding the materials used and their types comes from the internal systems of the Allegro Group. The data includes purchased materials used for packaging shipped products.

Packaging materials share

By mass [t]	Allegro Group 2024	Allegro Group 2024 share
Biological materials used to manufacture the undertaker's products and services (including packaging) that is sustainably sourced	1,452	88%
Secondary reused or recycled components, secondary intermediary products and secondary materials	1,434	87%

ACCOUNTING PRINCIPLES

The data in the table above comes from direct measurement from Allegro Group's internal systems. It pertains to the types of packaging used for shipping products from the Allegro Group's facilities (own operations) in Poland, the Czech Republic, and Slovenia, categorized by material types. The data pertains to the Allegro Group's warehouses and sorting hubs. The Allegro Group classifies sustainably sourced biological materials as those that have FSC certification, indicating sustainable forestry practices, as well as materials where the proportion by mass of renewable content is significant. Renewable material composed of biomass can be continually replenished. Biomass refers to biological materials derived from living (or recently living) organisms, most often of plant origin.

RESOURCE OUTFLOWS

[E5-5]

To tackle the issue of resource outflow in its operations, the Allegro Group aligns its internal waste management with the EU's waste hierarchy. This approach involves sorting waste for four specific purposes: preparing for reuse, recycling, other utilization, and disposal. The disclosure pertains

to all waste generated from operational activities and material impacts by the Allegro Group, such as warehouses, sorting hubs, offices, and that which is introduced to the market by the Allegro Group.

In the tables below, the resource outflow is presented.

Waste classification

Mass [t]	Allegro Group 2024	Allegro Group 2024 share
Total hazardous waste	25	2%
Radioactive waste	0	0%
Total non-hazardous waste	1,404	98%
Total waste	1,429	100%

Hazardous and non hazardous waste diverted from disposal

Mass [t]	Allegro Group 2024	Allegro Group 2024 share
Total hazardous waste diverted from disposal	0	0%
Preparation for Reuse	0	0%
Recycling	0	0%
Other Recovery Processes	0	0%
Total non-hazardous waste diverted from disposal	839	59%
Preparation for Reuse	35	3%
Recycling	804	56%
Other Recovery Processes	0	0%
Total waste from disposal	839	59%

Hazardous and non hazardous waste directed to disposal

Mass [t]	Allegro Group 2024	Allegro Group 2024 share
Total hazardous waste directed to disposal	25	2%
Incineration	0	0%
Landfill	25	2%
Other Processes	0	0%
Total non-hazardous waste directed to disposal	566	39%
Incineration	2	<1%
Landfill	564	39%
Other Processes	0	0%
Total waste directed to disposal	591	41%

Non-recycled waste

Mass [t]	Allegro Group 2024	Allegro Group 2024 share
Non-recycled waste	590	41%



ACCOUNTING
PRINCIPLES

The Allegro Group collects waste data in various countries, focusing on waste generated by its operational activities, such as warehouses and distribution centers (referred to as hubs) and offices. In Poland, data is reported in the BDO (Database of products and packaging and waste management), in the Czech Republic, data is sourced from FCC Česká republika, s.r.o., in Slovenia from Surovina, and in Slovakia from Marius Pedersen. Collecting data from these sources aims to ensure accurate and regulatory-compliant information regarding the amount of waste generated by the Allegro Group's operations in each country. In order to ensure completeness, municipal wastes from some locations have been estimated based on statistical data published by the Central Statistical Office.

The most common types of waste in Poland are: (17 02 01) Wood, (17 02 03) Plastics, (16 02 14) Used equipment, (15 01 02) Plastic packaging, (15 01 01) Paper and cardboard packaging, (15 01 06) Mixed packaging waste.

The most common types of waste in the Czech Republic are: (20 01 01) Paper, (20 01 08) Biodegradable waste, (17 04 05) Metals, (20 01 39) Plastics, (20 01 02) Glass. WeDo in Slovakia reports: (15 01 01) Paper and cardboard packaging, (15 01 02) Plastic packaging, (20 01 01) Paper and cardboard, (20 01 39) Plastics.

The most common types of waste in Slovenia are: (15 01 02) Plastic packaging, (15 01 01) Paper and cardboard packaging, (20 01 36) Used electrical and electronic equipment, (20 01 23) Discarded equipment containing chlorofluorocarbons.

The Allegro Group consolidates data from all sources into a central database, taking into account the types of waste, waste code (where possible according to the European Waste Catalogue (EWC) codes), quantities, disposal methods, and country. The mass is reported in tons or kilograms.

The Allegro Group has established cooperation with all its waste service providers to ensure the receipt of regular and comprehensive data reports. This data collection process encompasses all operational locations.



THE EU TAXONOMY DISCLOSURES

The EU Taxonomy disclosures chapter presents an in-depth analysis conducted by the Allegro Group on the categorization of activities that are eligible and aligned with the EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088) that establishes a transparent classification system enabling uniform identification of environmentally sustainable economic activities in order to support well-informed sustainable investment decision-making.

A Taxonomy-eligible activity is an economic activity which is listed in the relevant delegated acts accompanying the EU Taxonomy which establish technical screening criteria for environmentally sustainable activities, whereas a Taxonomy-aligned activity is an economic activity, which:

- Contributes substantially to one or more of the environmental objectives;
- Does not significantly harm (DNSH) any of the environmental objectives;
- Complies with technical screening criteria;
- Complies with the minimum social safeguards.

Under the Commission Delegated Regulation (EU) 2021/2178 (as amended by the Commission Delegated Regulation (EU) 2023/2486), non-financial undertakings shall disclose Key Performance Indicators (KPIs) related to Taxonomy-eligible and Taxonomy-aligned turnover (revenue), capital expenditures (CapEx) and operating expenditures (OpEx) for activities contributing to one of six objectives. In accordance with this regulation, the Allegro Group discloses:

- The percentage of Taxonomy-eligible activities in total: turnover (revenue), capital expenditures (CapEx), operating expenditures (OpEx) (for all identified eligible activities).

- The percentage of Taxonomy-aligned activities (i.e., environmentally sustainable activities) in total: turnover (revenue), capital expenditures (CapEx), operating expenditures (OpEx) (for activities identified as Taxonomy-eligible based on Commission Delegated Regulations 2021/2139, including amendments introduced by the Delegated Regulation 2023/2485, 2023/2486 and 2022/1214).
- Results of the review of the Minimum Safeguards (MS) criteria based on our established policies and business practices.
- Computation and reporting of the Key Performance Indicators (KPIs).

The alignment with relevant consolidated financial statements line items serves as the foundation for the Allegro Group's Taxonomy allocation approach. The values used are sourced from the actual figures recorded in the general ledger accounts, as presented in the Allegro Group's consolidated financial statements.

Approach to assessing Taxonomy-eligibility

The Allegro Group has performed a thorough analysis of business activities relevant for all entities in the Allegro Group. In order to select Taxonomy-eligible activities, the Allegro Group identified its activities which are compliant with the descriptions of activities provided in Annex I and Annex II to the Commission Delegated Regulation (EU) 2021/2139 (including amendments introduced by the Delegated Regulation 2023/2485), as well as in Annexes I-IV to the Commission Delegated Regulation (EU) 2023/2486 and which generate turnover, CapEx and OpEx compliant with definitions given in Annex I to Commission Delegated Regulation (EU) 2021/2178.

As a result of this analysis, the Allegro Group managed to identify the following Taxonomy-eligible activities. There was no activity eligible identified that contributes to more than one environmental objective.

Environmental objective	EU Taxonomy activity	Allegro Group activities
Climate change mitigation (CCM)	6.5. Transport by motorbikes, passenger cars and light commercial	Purchases / leases and eligible maintenance expenditures associated with the fleet of the Allegro Group vehicles
	6.6. Freight transport services by road	Purchases / leases associated with freight transport services by road
	6.15 Infrastructure supporting low-emission road transport and public transport	Installation of automated parcel machines as part of the transshipment infrastructure, contributing to the lower emission transport of parcel deliveries
	7.7 Acquisition and ownership of buildings	Revenues arising from the acquisition of buildings and the exercise of ownership rights over them
	8.1. Data processing, hosting and related activities	Revenue from data processing, hosting and related activities; other information technology and computer service activities; computer facilities management activities; software related activities, and computer consultancy activities Purchases / leases and eligible maintenance expenditures associated with data processing, hosting and related activities
Transition to a circular economy (CE)	1.2 Manufacture of electrical and electronic equipment	Capital expenditures are related to purchased electrical and electronic equipment
	5.6. Marketplace for the trade of second-hand goods for reuse	Revenue from commissions collected from merchants using Allegro Group on-line platforms for selling second-hand products, materials or components for reuse

Approach to assessing Taxonomy-alignment

For the Allegro Group activities identified as Taxonomy-eligible, The Group carried out a detailed verification of the activities' alignment with the technical screening criteria provided in Annex I of Commission Delegated Regulation (EU) 2021/2139.

The assessment for the activity "CE 5.6 Marketplace for the trade of second hand goods for reuse", was carried out in accordance with technical screening criteria provided in Annex II of Commission Delegated Regulation (EU) 2023/2486).

Each Taxonomy-eligible activity related to the CCM and CE objectives was assessed against the technical criteria for:

- substantial contribution to the climate change mitigation and circular economy objective,
- “do no significant harm” (DNSH) to other environmental objectives of the EU Taxonomy.

The analysis of alignment with the technical criteria was based on the knowledge of experienced subject matter experts employed by the Allegro Group or cooperating with the Allegro Group. For the year 2024 the Allegro Group did not identify any Taxonomy-aligned turnover, but identified Taxonomy-aligned capital and operating expenditures.

To assess the criterion of making a substantial contribution to a given environmental objective, compliance assessment sheets were prepared for each of the identified activities. The assessment sheet included the individual technical screening criteria listed in the relevant legislation for the activity and the criteria for compliance with the DNSH principle.

The collection of evidence for each criterion then proceeded. Particular attention was placed to activity 6.15, for which Allegro demonstrated compliance with the EU Taxonomy. APMs are part of the transshipment infrastructure and therefore meet point 1 b) of the technical screening criteria for the activity 6.15. Furthermore Allegro's analysis of the emissivity of parcels by different delivery methods showed that APMs have lower emissions per parcel in kg CO2e than the selected alternatives. In addition, APMs are not used for the transport of fossil fuels, which meets the criterion listed in point 2 of the technical qualification criteria for activity 6.15. The analysis of the DNSH criteria, confirmed that the APMs do not cause significant damage to the other environmental objectives. In conclusion, activity 6.15 as indicated by Allegro, fulfils technical screening

criteria and makes a significant contribution to the environmental objective I – Climate change mitigation (CCM), and does not cause significant harm to the other environmental objectives. It is therefore qualified as an activity aligned with the EU Taxonomy.

Approach to assessing minimum social safeguards

The Allegro Group assessed its compliance with the minimum social safeguards based on the practical guidance provided by the Platform on Sustainable Finance in the document “Final Report on Minimum Safeguards” published in October 2022.

The assessment confirms, for all identified activities, the Allegro Group complies with the required frameworks for minimum safeguards in relation to:

- Respecting human rights and social and labour standards;
- Adhering to anti-corruption policies, fair competition standards and transparent taxation policy.

The analysis conducted by the Allegro Group for the year 2024 focused on: 1) The Allegro Group litigation cases in the area of human rights, labour law and taxation and corruption and 2) Allegro approach to due diligence processes in the areas of human rights, labour law, corruption and bribery, taxation, and fair competition. The compliance with minimum social safeguards was based on the knowledge of experienced subject matter experts, employed by the Allegro Group in legal, compliance, Human Resources (HR) and ESG teams. The Allegro Group did not identify any indications of the Allegro Group incompliance with the minimum social safeguards in 2024. In 2024, the Allegro Group did not identify any final court cases that would significantly impact the assessment of minimum safeguards. Additionally, there were no reports in the registers of the OECD National Contact Point and the Business and Human Rights Resource Centre related to Allegro Group.

**SUMMARY OF THE ALLEGRO GROUP
EU TAXONOMY KPIS**

The table below presents an overview of Allegro Group EU Taxonomy KPIs for the year 2024 related to Taxonomy-aligned and Taxonomy-eligible economic activities.

	Turnover		Capital expenditures (CapEx)		Operating expenditures (OpEx)	
	Taxonomy-aligned activities	Taxonomy-eligible but not aligned activities	Taxonomy-aligned activities	Taxonomy-eligible but not aligned activities	Taxonomy-aligned activities	Taxonomy-eligible but not aligned activities
Climate change mitigation (CCM)	0.00%	5.74%	21.58%	7.71%	29.68%	11.56%
Climate change adaptation (CCA)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water and marine resources (WTR)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Circular economy (CE)	0.00%	0.11%	0.00%	3.50% ^[1]	0.00%	0.00%
Pollution (PPC)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Biodiversity and ecosystems (BIO)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	5.85%	21.58%	7.71%	29.68%	11.56%

[1] CapEx related with eligible activity in CE is the same as in CCM therefore does not impact total percentage

RESTATEMENT OF DATA FOR THE FINANCIAL YEAR 2023

As part of our ongoing efforts to ensure accurate and complete alignment with the EU Taxonomy, we have identified a Taxonomy-aligned economic activity that was not previously reported in our 2023 disclosures. Specifically, we have recognized activity “CCM 6.15 Infrastructure enabling low-carbon road transport and public transport” within our CapEx and OpEx. Furthermore, following an in-depth analysis, we identified the following eligible activities:

- “CCM 6.6 Freight transport services by road” (KPI Turnover);
- “CCM 7.7 Acquisition and ownership of buildings” (KPI CapEx).

These activities were not disclosed in our 2023 EU Taxonomy reporting due to the following reasons:

- Refinement of internal Taxonomy assessment – at the time of our 2023 reporting, our internal assessment did not identify the full scope of infrastructure investments and operational expenditures that contribute to low-carbon transport infrastructure. Following benchmark analysis performed in 2024, we have determined that certain expenditures incurred in 2023 meet the criteria for inclusion under activity 6.15
- Evolving regulatory and market understanding – as EU Taxonomy implementation has progressed, industry benchmarks have provided greater clarity on the classification of eligible infrastructure activities. This has allowed us to reassess our turnover as well as capital and operational expenditures with a more refined approach

Based on this reassessment, we have restated our 2023 KPI as follows:

Taxonomy restatement

Category	Restated 2023	Reported 2023
KPI Turnover		
Taxonomy-eligible activity CCM 6.6	140,540,847 PLN / 1.38%	6.6 activity not identified
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	4.87%	3.49%
Turnover of Taxonomy-eligible activities (A.1+A.2)	4.87%	3.49%
KPI CapEx		
Taxonomy-aligned activity CCM 6.15	62,547,087 PLN / 11.83%	6.15 activity not identified
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	11.83%	0%
Taxonomy-eligible activity CCM 7.7	11,190.416 PLN / 2.12%	7.7. activity not identified
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	5.68%	3.56%
CapEx of Taxonomy-eligible activities (A.1+A.2)	11.36%	3.56%
KPI OpEx		
Taxonomy-aligned activity CCM 6.15	4,822,933 PLN / 6.39%	6.15 activity not identified
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	6.39%	0%
OpEx of Taxonomy-eligible activities (A.1+A.2)	22.19%	15.80%

KEY PERFORMANCE INDICATORS RELATED TO TURNOVER

Based on the analysis of all the activities described in annexes to the relevant Commission Delegated Regulations, the Allegro Group Taxonomy-eligible turnover is associated with the Taxonomy activities:

- “CE 5.6 Marketplace for the trade of second-hand goods for reuse”;
- “CCM 6.6 Freight transport services by road”;
- “CCM 8.1 Data processing, hosting and related activities”.

Activity “CE 5.6” of second-hand products, materials or components for reuse, where the platforms managed by the Allegro Group act as an intermediary to match buyers seeking a service or pre-owned product with sellers or providers of those products or services in accordance with the new Commission Delegated Regulation (EU) 2023/2486. Reported eligible revenue consists of commissions collected from merchants using the Allegro Group on-line platforms for selling pre-owned products, materials or components for reuse.

The activity was assessed against the technical screening criteria related to substantial contribution to transition to circular economy and “do no significant harm”. The Allegro Group concluded that the activity does not comply with all environmental technical criteria provided in Annex II to the Commission Delegated Regulation (EU) 2023/2486. Thus, the activity is classified as Taxonomy-eligible, but not Taxonomy-aligned.

Activity 6.6 relates to revenue generated from the transportation of freight, which is performed by third parties on behalf of Allegro. The activity was assessed against the technical screening criteria related to substantial contribution to transition to circular economy and “do no significant harm”. The Allegro Group concluded that the activity does not comply with the full set of environmental technical criteria provided in Annex I to the Commission Delegated Regulation (EU) 2021/2139. Thus, the activity is classified as Taxonomy-eligible, but not Taxonomy-aligned.

Activity “CCM 8.1” covers the provision of hosting services that are understood as making all IT components available to an external client in order to support the client's business activities, including: structured cabling, switchboards, cooling elements, servers, firewalls, routers, switches, backup devices and other components made available to the client that make up the IT system operated by the customer as well as device ordering and data storage services. The activity – which is mainly associated with third party owned data centres – was assessed against the technical screening criteria related to substantial contribution to climate change mitigation and “do no significant harm”. The Allegro Group concluded that the activity does not comply with the full set of environmental technical criteria provided in Annex I to the Commission Delegated Regulation (EU) 2021/2139. Thus, the activity is classified as Taxonomy-eligible, but not Taxonomy-aligned.

ACCOUNTING PRINCIPLES

The turnover should include the revenue recognized in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) applicable as of December 31, 2024, as referenced in the consolidated financial statements for the year ended December 31, 2024 in subchapter “Basis of preparation”. In particular, IFRS 15 Revenue from contracts with customers applies.

The basis for calculating the KPI Turnover was Allegro’s consolidated financial statements for 2024, prepared in accordance with the IFRS. The denominator of the indicator was the total revenue from the consolidated financial statements (note 10). The numerator includes revenue streams linked to the eligible activities (CCM 6.6 and 8.1, and CE 5.6) arising from contracts with customers. Due to the nature of Allegro Group’s activities, the Group doesn’t identify cases of its own internal consumption.

KPI Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH Criteria									
	Code(s) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitiga- tion (5)	Climate Change Adapta- tion (6)	Water and marine resourc- es (7)	Pollution (8)	Circular Economy (9)	Biodiver- sity (10)	Climate Change Mitiga- tion (11)	Climate Change Adapta- tion (12)	Water and marine resourc- es (13)	Pollution (14)	Circular Economy (15)	Biodiver- sity (16)	Minimum Safe- guards (17)	Proportion of Taxonomy aligned (A.1.) or – eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transi- tional activity (20)
Economic activities (1)		PLN '000	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		PLN '000	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Marketplace for the trade of second-hand goods for reuse	CE 5.6	387,787	3.58%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3.42%		
Freight transport services by road	CCM 6.6	233,631	2.16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.38%		
Data processing, hosting and related activities	CCM 8.1	11,405	0.11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.07%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		632,823	5.85%	2.26%	0%	0%	0%	3.58%	0%								4.87%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		632,823	5.85%	2.26%	0%	0%	0%	3.58%	0%								4.87%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		10,188,408	94.15%																
TOTAL		10,821,231	100%																

KEY PERFORMANCE INDICATORS RELATED TO CAPITAL EXPENDITURES

Based on the analysis of all activities described in the annexes to the relevant delegated regulation of the Commission, the Allegro Group's capital expenditures related to the Taxonomy are aligned with the Taxonomy activity "CCM 6.15 Infrastructure supporting low-emission road transport and public transport." The activity fulfills the requirement 1.1.2.2. c) defined in the Annex I to the Delegated Regulation EU 2021/2178 – capital expenditures are related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Based on the analysis of all the activities described in annexes to the relevant Commission Delegated Regulation, The Allegro Group Taxonomy-eligible CapEx is associated with the following Taxonomy activities:

- "CCM 6.5 Transport by motorbikes, passenger cars and light commercial" – capital expenditures are related to assets or processes that are associated with Taxonomy-eligible economic activities.
- "CCM 7.7 Acquisition and ownership of buildings".
- "CCM 8.1 Data processing, hosting and related activities" – capital expenditures are related to assets and processes associated with data processing and hosting.
- "CE 1.2 Manufacture of electrical and electronic equipment" – capital expenditures are related to the purchase of output from Taxonomy-eligible economic activities.



The activity CCM 6.5 was assessed against the technical screening criteria related to substantial contribution to climate change mitigation and "do no significant harm" to the remaining environmental objectives. The Allegro Group concluded that the activity does not comply with the full set of environmental technical criteria provided in Annex I to the Commission Delegated Regulation (EU) 2021/2139. Thus, both activities are classified as Taxonomy-eligible, but not Taxonomy-aligned.

The capital expenditures (CapEx) for activity 7.7 in Allegro Group include investments in third-party fixed assets (leasehold improvements) and recognition of right-of-use (ROU) assets from new office and logistics leases. The activity was also checked against technical screening criteria and DNSH re-

quirements and Allegro Group decided to classify it as Taxonomy-eligible.

The activity CCM 8.1 and CE 1.2 focus on IT equipment purchased and operation of data centers. Other electrical and electronic equipment are ignored for CE 1.2 due to materiality and late issuance of draft FAQ from European Commission dated 29 November 2024. Both activities were assessed against relevant technical screen criteria and "do not significant harm" requirements.

The Allegro Group concluded that the activities do not comply with given criteria.

Thus, all three activities are classified as Taxonomy-eligible, but not Taxonomy-aligned.

ACCOUNTING PRINCIPLES

Both, the nominator and the denominator include the aggregation of additions to property, plant and equipment, capitalized right-to-use assets, land lease, and purchase of intangible assets made during the financial year, recognized in their carrying amount.

The basis for calculating the KPI CapEx was the capital expenditures recorded in the consolidated financial statements (note 14 and 15), corresponding to the costs defined for the denominator of KPI CapEx defined in the Commission Delegated Regulation 2021/2178, recognized in accordance with the following IFRS:

- IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii)
- IAS 38 Intangible Assets, paragraph 118, (e), point (i)
- IFRS 16 Leases, paragraph 53, point (h)

The numerator equals the part of the capital expenditure included in the denominator that corresponds to the indicated Taxonomy-aligned activity (CCM 6.15) and Taxonomy-eligible activities (CCM 6.5, CCM 7.7 and CCM 8.1).

KPI Capex																					
Financial year 2024		2024			Substantial contribution criteria						DNSH Criteria										
	Code(s) (2)	Capital Expendi- tures (3)	Propor- tion of Turnover, year 2024 (4)	Climate Change Mitiga- tion (5)	Climate Change Adapta- tion (6)	Water and marine resourc- es (7)	Pollution (8)	Circular Economy (9)	Biodiver- sity (10)	Climate Change Mitiga- tion (11)	Climate Change Adapta- tion (12)	Water and marine resourc- es (13)	Pollution (14)	Circular Economy (15)	Biodiver- sity (16)	Minimum Safe- guards (17)	Propor- tion of Taxon- omy aligned (A.1.) or – eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transi- tional activity (20)		
Economic activities (1)		PLN '000	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	CCM 6.15	160,199	21.58%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	11.83%	E		
Infrastructure Supporting Low-Emission Road Transport and Public Transport		160,199	21.58%	21.58%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	11.83%			
Of which enabling		160,199	21.58%	21.58%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	11.83%	E		
Of which transitional		0	0%	0%						0%	Y	Y	Y	Y	Y	Y	Y	0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
		PLN '000	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Transport by motorbikes, passenger cars and light commercial	CCM 6.5	162	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%			
Acquisition and ownership of buildings	CCM 7.7	31,103	4.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									2.12%			
Data processing, hosting and related activities	CCM 8.1 CE 1.2	26,004	3.50%	EL	N/EL	N/EL	N/EL	EL	N/EL									3.56%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		57,269	7.71%	7.71%	0%	0%	0%	0%	0%									5.68%			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		217,468	29.29%	29.29%	0%	0%	0%	0%	0%									17.51%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy non-eligible activities		525,023	70.71%																		
TOTAL		742,491	100%																		



KEY PERFORMANCE INDICATORS RELATED TO OPERATING EXPENDITURES

Based on the analysis of all activities described in the annexes to the relevant delegated regulations of the Commission, the OpEx aligned with the Taxonomy is CCM 6.15. The activity fulfills the requirement 1.1.2.2. c) defined in the Annex I to the Delegated Regulation EU 2021/2178 – operating expenditures are related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Based on the analysis of all the activities described in annexes to relevant Commission Delegated Regulations, the Allegro Group Taxonomy-eligible OpEx is associated with the following Taxonomy activities:

- “CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles” – operating expenditures are related to assets or processes that are associated with Taxonomy-eligible economic activities
- “CCM 8.1 Data processing, hosting and related activities” – operating expenditures are related to
 - Routine maintenance and servicing of APMs to ensure optimal energy efficiency and reduce operational carbon footprint
 - Upgrades and software enhancements to improve system efficiency and support integration with low-carbon logistics solutions

ACCOUNTING PRINCIPLES

Key performance indicators related to operating expenditures

The basis for calculating the KPI OpEx, according to the definition in Annex I of Delegated Regulation 2021/2178 and other amending Regulations, was the identification of direct, non-capitalized expenditures from the general costs of the Allegro Group. This was based on the consolidated financial statements for 2024 and included expenses related to:

- research and development activities
- building renovation efforts
- short term leasing
- maintenance and repairs
- any other direct expenses related to the ongoing servicing of tangible fixed assets, either by the Allegro Group itself or by a third party outsourced to perform necessary actions ensuring the continuous and efficient operation of these assets

The numerator equals the part of the operating expenditure included in the denominator related to assets or processes associated with Taxonomy-aligned or Taxonomy-eligible activities indicated by the Allegro Group.

KPI Opex

Financial year 2024	2024			Substantial contribution criteria						DNSH Criteria						Minimum Safe-guards (17)	Proportion of Taxonomy aligned (A.1.) or – eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Capital Expenditures (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic activities (1)		PLN '000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure Supporting Low-Emission Road Transport and Public Transport	CCM 6.15	11 007	29,68%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6,39%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		11 007	29,68%	29,68%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6,39%		
Of which enabling		11 007	29,68%	29,68%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6,39%	E	
Of which transitional		0	0	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		PLN '000	%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial	CCM 6.5	319	0,86%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,39%		
Data processing, hosting and related activities	CCM 8.1	3 967	10,70%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10,41%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4 286	11,56%	11,56%	0%	0%	0%	0%	0%								15,80%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		15 293	41,24%	41,24%	0%	0%	0%	0%	0%								22,19%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		21 793	58,76%																
TOTAL		37 086	100%																

KPIS FOR NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

The Allegro Group does not disclose separate tables according to Templates 2 and 3 of Annex XII of the Commission Delegated Regulation (EU) 2021/2178, as nuclear and fossil gas activities do not apply to the Allegro Group.

This means that the values presented in the above-mentioned tables can only take values equal

to zero for the Allegro Group – in this context, the presentation of separate tables would, in the opinion of the Allegro Group, negatively affect the transparency of this Sustainability Statement.

The following table provides information on whether the Allegro Group activities are related to nuclear energy or gaseous fossil fuels.

Row	Nuclear energy related activities
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades

Row	Fossil gas related activities
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels

CONTEXTUAL INFORMATION AND ACCOUNTING POLICY

There were no significant changes in accounting policies in the period covered by the consolidated financial statements of Allegro.eu S.A. for the year ended December 31, 2024.

The three KPIs reported under the EU Taxonomy disclosures are calculated as percentages, making the accurate determination of their numerators and denominators crucial. The Allegro Group adheres to the definitions provided in the Disclosures Delegated Act, as detailed below.

Explanation of how double-counting was avoided when calculating the KPIs

The Allegro Group prepared the EU Taxonomy disclosures taking into account the principle of avoiding double counting.

This means that the Allegro Group assigned accounting items related to individual economic activities to only one corresponding Taxonomy-eligible activity from one selected environmental goal. Each portion of turnover, CapEx and OpEx associated with a given Taxonomy-eligible activity was included only once

and was not doubled by assigning to any other Taxonomy-eligible activity.

All of the KPIs reported are derived directly from the financial systems of Allegro Group's entities, with no allocations or estimates involved. Furthermore, it shall be noted that the underlying financial data was exported from the Allegro Group controlling system supporting the Allegro Group management accounting. This system consists of a set of separate, financial organisational units, the financial data of which (turnover, CapEx and OpEx) are reported in the chart of accounts and auxiliary items in accordance with the adopted accounting principles.



2.3.
Social information

S1 OWN WORKFORCE

[SBM 2]

The interests, views, and rights of the Allegro Group's own workforce have a significant impact on the Allegro Group's strategy and business model. As the leading e-commerce market player in Poland and Central Europe, the Allegro Group places great emphasis on respecting human rights and creating a friendly and supportive work environment.

A key element to implement the Allegro Group's business model, which is based on attracting an increasing number of customers and merchants, is the engagement and satisfaction of workers

who contribute to the platforms' development and innovation.

The Allegro Group ensures that workers have the opportunity to voice their comments and concerns, and participate in decision-making processes. Worker opinions and needs are taken into account when shaping the Allegro Group's strategy. The Allegro Group focuses on transparency and social dialogue, which allows for a better understanding and response to workers expectations. This enables the Group to better adapt its actions to changing market and social conditions.

IMPACT, RISK AND OPPORTUNITY (IRO)

[SBM 3]

The impacts, risks, and opportunities of the Allegro Group in the context of its own workforce are presented in the table below.

List of Allegro Group's material impacts, risks and opportunities

Material topic	Type of material IRO	Material IRO	Value chain part
Equal opportunities and fairness	Positive actual impact	Allegro Group is taking measures to positively address the equal pay gap, in line with its strategy to commit to equality and fairness	Own operations
	Negative potential impact	Rapid organizational growth and significant changes in the environment (legal, civilizational, and social) may negatively impact employees, by requiring increased flexibility and quick adaptation to new conditions	Own operations
	Risk	Social and environmental factors may undermine Allegro Group's ability to provide an attractive culture where talent thrives, develops and feels supported	Own operations
Health and safety	Risk	Potential occurrence of serious or fatal accidents at work	Own operations
	Positive actual impact	Implementing health and safety procedures has a positive impact on safety of the workforce	Own operations

Presented impacts and risks are crucial to realise the adopted strategy and business model of the Allegro Group. To attract customers and merchants, and provide the best shopping experience, it is necessary to build commitment, job satisfaction and employee equality. The Allegro Group is working to reduce the pay gap, promote gender equality, and provide wide opportunities for career development to create attractive conditions for employees, and mitigate factors that may undermine the Allegro Group ability to provide an attractive culture where talent thrives, develops and feels supported. It also helps to mitigate the risk of not being an attractive employer. There is also an emphasis on avoiding risk of serious or fatal workplace accidents, which is mitigated by health and safety measures.

The scope of these disclosures pertains to the Allegro Group's own workforce, understood as individuals employed under an employment contract as well as those collaborating with the Allegro Group on B2B terms, mandate contracts, specific-task contracts, or through temporary employment agencies (mostly for warehouse positions). The own workforce handles business and logistics processes. This includes IT specialists maintaining the marketplace platforms, individuals managing databases and responsible for cybersecurity and people working in the Allegro Group's warehouses. Among the own workforce are also individuals involved in marketing, corporate affairs, customer service, finance, and administration of the Allegro Group, as well as the development of offered products and services.

The Allegro Group promotes a work culture based on respect, honesty, and cooperation, which creates equal opportunities in all aspects of employment, ensuring diversity and inclusivity in the workplace, which positively impacts the Allegro Group employees. Additionally, the Allegro Group offers training and career development opportunities, wellbeing programs that support the physical and mental health of employees, such as sports activities, psychological support, and flexible working hours.

The materialization of significant risks also largely depends on human and social factors. Despite occupational health and safety programs, there is a risk of a serious accident, which is why this risk has been assessed as significant. The Allegro Group does not have full control over how it is perceived by society and its own employees. However, the actions taken aim to create the best possible conditions for professional development in a friendly atmosphere.

The impacts and risks apply to all employee groups to the same or very similar extent. For this reason, the impact or risks were not analyzed in the context of a selected, particularly vulnerable, group of employees.

It is also worth noting that during the process of double materiality analysis, the Allegro Group did not identify the risk of forced labor or child labor in its own operations. The Allegro Group complies with the laws of the countries regarding employment (including the employment of minors) in which it operates.

POLICIES RELATED TO OWN-WORKFORCE

[S1-1]

A number of policies have been implemented in the Allegro Group to enable effective management of material impacts and risks related to working conditions of employees. Through policies such as the Code of Ethics and Conduct, the Diversity Policy, and the Human Rights Policy, the Allegro Group strives

to create a fair and equal work environment. In light of changes in the legal and social environment, these Policies play a crucial role in ensuring that all workers feel supported and safe, which is essential for their development and well-being.

Policies

Area	Material IRO	Corresponding policy
Equal opportunities and fairness	Allegro Group is taking measures to positively address the equal pay gap, in line with its strategy to commit to equality and fairness	Code of Ethics and Conduct Diversity Policy Human Rights Policy
	Rapid organizational growth and significant changes in the environment (legal, civilizational, and social) may negatively impact employees, by requiring increased flexibility and quick adaptation to new conditions	Policy of Counteracting Undesirable Phenomena such as Discrimination, Harassment, Bullying and Violence
	Social and environmental factors may undermine Allegro Group's ability to provide an attractive culture where talent thrives, develops and feels supported	Whistleblowing Procedure
Health and safety	Potential occurrence of serious or fatal accidents at work	Health and Safety Procedures
	Implementing health and safety procedures has a positive impact on safety of the workforce	

Equal opportunities and fairness

Key Policies that relate to the impacts associated with creating equal opportunities and fairness in the workplace are the Diversity Policy, the Human Rights Policy, Policy of Counteracting Undesirable Phenomena such as Discrimination, Harassment, Bullying and Violence. Additionally the Allegro Group developed the Code of Ethics and Conduct, and the Whistleblowing Procedure that are described in detail in chapter G1 Business conduct.

The Human Rights Policy at the Allegro Group outlines how the Allegro Group respects human rights and what goals are being pursued. It pertains to ethical conduct and compliance with international and national regulations. The Policy applies to both the Allegro Group's own workforce and business partners and contractors (upstream and

downstream in the value chain). The Human Rights Policy explicitly addresses issues related to human trafficking, forced or compulsory labor, and child labor.

The Allegro Group does not identify significant risks related to forced, compulsory, or child labor within its own workforce, in its own operations in the countries where it operates. The Allegro Group's responsibility for respecting human rights is based on universally recognized human rights, as enshrined in the International Bill of Human Rights/Universal Declaration of Human Rights and the rights defined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Additionally, the Human Rights Policy refers to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Allegro Group is a member of the

UN Global Compact, thus adhering to the Ten Principles of the UN Global Compact and implementing the Sustainable Development Goals (SDGs).

The Allegro Group strives to create an inclusive work environment where all employees are treated equally and with respect to gender, gender identity, age, race, form of employment, political views, sexual orientation, disability, health, nationality, ethnic origin, religion, beliefs, union membership, family status, or lifestyle. The Policy covers various aspects, including anti-discrimination, anti-harassment, promoting equal opportunities in the recruitment process, retention practices, employment of people with disabilities, and the appointment of members to the Board of Directors.

As the Allegro Group places particular emphasis on ensuring a safe workplace, it has also adopted the Policy of Counteracting Undesirable Phenomena such as Discrimination, Harassment, Bullying and Violence. This Policy covers various forms of discrimination, including those based on racial and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political views, national or social origin. Additionally, the Allegro Group has adopted the Code of Ethics and Conduct, which sums up crucial policies and promotes honesty and safety in the workplace. Any violations of the principles and instances of discrimination can be reported through the whistleblowing system.

The Allegro Group strives to take into account the opinions of stakeholders, including its employees. In 2024 during the process of its implementation, the Code of Ethics and Conduct was presented and consulted with the Employee Representation; the same process was with the Whistleblowing Procedure. In addition, during the double materiality analysis process, the Allegro Group gathered opinions on its impact related to equal opportunities and diversity issues among employees.

The Allegro Group Policies are aligned with international standards as they are based on universally

recognized human rights, including those defined in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Allegro Group maintains channels for reporting irregularities, which can be used by employees and other individuals working for the Allegro Group. Submitting a report initiates a process of clarification and potential rectification of irregularities, as described.

All mentioned Policies are available to the Allegro Group employees, elements of those Policies are also part of annual mandatory training on compliance. Key excerpts from the Policies are publicly available on the Allegro.eu website, where all stakeholders can review them.

All Policies including the Diversity Policy, Human Rights Policy and The Policy of Counteracting Undesirable Phenomena such as Discrimination, Harassment, Bullying and Violence have been approved and are reviewed annually by the Board of Directors. The person responsible for the implementation of these documents is the Chief Security Officer.

Health and safety

As the potential occurrence of serious or fatal accidents at work is a risk in the Allegro Group, it takes responsibility for ensuring occupational safety and health (OHS) within the Allegro Group, organizing work in a manner that is healthy and safe, and ensuring that all OHS regulations are followed. To ensure safety of the Allegro Group workforce, the Allegro Group has prepared a set of procedures concerning health and safety, which strict adherence should prevent accidents and occupational diseases. The work environment at all levels of the Allegro Group is continuously monitored, and occupational risk assessments are systematically updated. Base for these procedures are local health and safety regulations in the countries where the Allegro Group operates.

Health and safety procedures apply to all employees and collaborators within the Allegro Group's workforce. Aim of the Allegro Group is to ensure safe and ergonomic working conditions by:

- Preventing accidents and occupational diseases;
- Continuously monitoring the work environment and closely collaborating with the administrative team in this regard;
- Systematically updating occupational risk assessments;
- Engaging employees in health and safety activities;
- Raising awareness about health and ergonomics.

The Allegro Group occupational risk assessment involves the detailed identification and analysis of potential hazards that workers might face, depending on their job role. This process helps ensure that adequate measures are in place to mitigate or eradicate these risks and identify any areas that may need further attention.

At the Group level, health and safety issues are the responsibility of a person on a director level.

The Allegro Group's Health and Safety team is responsible for supporting Polish Operations and Allegro Retail in the field of health and safety, e.g., giving opinions on detailed health and safety instructions at workstations, participating in modernization and development plans for offices and warehouses. In other countries, the Allegro Group works with external specialised companies that provide care in terms of health and safety, organise training and ensure the implementation of procedures relating to accidents, as well as ensuring compliance with local regulations in this area.

All the Allegro Group's workers receive health and safety training. Initial training begins on the first day of work with an introductory instruction session, ensuring that new workers are immediately familiar with essential safety protocols. For ongoing learning, the Allegro Group provides periodic training through e-learning for managers and administrative or office employees accessible via a dedicated training platform. For warehouse workers, this training is delivered through regular instructional sessions, emphasising the practical aspects of workplace safety. All these activities resulted in 2024 being free of fatal workplace accidents. Therefore all presented actions will be continued in 2025 and in the following years.



TARGETS RELATED TO OWN WORKFORCE

[S1-5]

One of the Allegro Group's main ambitions is to introduce equal pay for women and men within its own workforce. This is related to the diversity policy, which states that the Allegro Group adheres to the principle of gender equality in various HR processes, including recruitment, promotion, access to training and promotion opportunities, and setting remuneration.

In line with the Allegro Group's ESG strategy, the goal is to achieve an equal pay gap of below 5%. This aim reflects the strategic intent of the Allegro Group to eliminate wage discrepancies, promoting a culture of equity and inclusivity within the workforce. In 2024, the equal pay gap for the Allegro Group is 3%, so it fulfills the conditions for achieving the goal.

The Allegro Group prepares the equal pay gap by calculating weighted averages per career level inside each job family, based on a basic salary. A job family refers to a group of jobs that involve similar types of work and require similar training, skills, knowledge, and expertise. Then a weighted average is calculated at the overall group level. The weighted average is determined by giving different weights to different career levels based on the number of employees or the significance of the roles. This method is more precise when assessing salaries by position held.

The way of measuring the equal pay gap is entity specific and it is different from the unadjusted gender pay gap according to the ESRS, which is calculated as the difference in average pay levels

between men and women, expressed as a percentage of the average pay of male employees by the difference in average hourly earnings between men and women. It is thoroughly described in the subchapter Remuneration.

Due to the nature of the goal to reduce the equal pay gap, no base year has been set. No intermediate targets have been set either. The goal is maintained throughout the duration of the ESG strategy.

The presented target was set based on the stakeholder analysis and research among employees, merchants and customers. The final goal was developed by the operation team, business owner, business sponsor and approved by the Board of Directors. Employees are informed about the progress towards the goal, for example, in the Sustainability Statement.

One of the solutions implemented to support the realisation of the objective is a process of reviewing the salaries of people returning to work after long term absences. It is designed to take care of the ongoing compensation gap that may have arisen during an employee's long term absence.

In the Allegro Group ESG Strategy there are no specific targets for other IRO's, due to the idea to focus on one indicator that has high leverage on the whole equal opportunities area. In the health and safety area there is no specific target, but the number of accidents is strictly monitored and corrective measures are taken in the event of any incidents.

ENGAGING WITH STAKEHOLDERS

[S1-2]

Mental and physical comfort of workers are crucial aspects for the Allegro Group, because workers are the most important element of the Allegro Group's operation, and the Allegro Group strives to employ the best experts, not only from Poland, the Czech Republic, Slovakia, Croatia, Hungary or Slovenia, but also from other countries.

To evaluate and monitor workers' needs on an ongoing basis, an Engagement Survey (**Survey**) is held every year (the main Engagement Survey is administered in May and two smaller ones called the Engagement Survey Pulse Checks are administered at various points throughout the year). This Survey

is treated as the principal source of information about the Allegro Group as a workplace. By analysing the Survey results, the Allegro Group can better understand what affects employee engagement, as well as identify the areas to work on. Within the organisation, the function of incorporating employee feedback into decision-making processes and actions aimed at managing impacts on the workforce is assigned to the Chief Human Resources Officer.

The table below presents the percentage of employee engagement and employee participation in the Survey.

Level of employee engagement in the Allegro Group

	2024 Allegro Group	2023 Allegro Group
Employee engagement score	64%	47%
Employees participation	91%	78%

ACCOUNTING PRINCIPLES

The data is sourced from the external platform Culture Amp, a tool for engagement surveys. The employee engagement score is calculated based on five factors: pride in working for the company, recommending the company as an employer to others, current engagement in work, commitment to long term employment with the company, and motivation to continue working. Responses related to these factors are analyzed and transformed into an overall employee engagement index. Employee participation is calculated as the percentage of employees who participated in the Survey relative to the total number of employees working during the time of the Survey. The Engagement Survey is conducted once a year, with two additional smaller Pulse Checks throughout the year. The Survey covers the entire Allegro Group, i.e. all its entities. The data presented is from October 2024, which is the latest available result for the Group.

Moreover, the Allegro Group collaborates with employees to create a safe and inclusive workplace. In Allegro Sp. z o.o., Allegro Pay Sp. z o.o., Allegro Finance Sp. z o.o., Opennet.pl Sp. z o.o., eBilet Polska Sp. z o.o., and Ceneo.pl Sp. z o.o., Employee Representations play a significant role. These Representations consist of 3-5 members and are democratically elected by all employees in direct elections.

These independent advisory bodies are an important voice for employees. Their task is to consult on matters affecting the work environment, such as HR processes and policies, remuneration, changes in work organization, issues related to the Allegro Social Benefits Fund, and other topics important to large groups of employees, either raised by Employee Representations or suggested by the employees.

In three entities of the Allegro Group (Allegro Sp. z o.o., eBilet Polska Sp. z o.o., and Allegro Pay Sp. z o.o.), there is a Trade Union with which consultations are also held, as required by Polish law.

The Allegro Group maintains an open dialogue with Employee Representations, not only during monthly meetings, but also by responding to questions posed between meetings. The term of each Representation is 4 years, except for Ceneo, where it is 2 years. Employees with at least 12 months of service can run for election. This system ensures that employees have a significant impact on key aspects of the work environment and Allegro Group policies.

The involvement of the Trade Union takes the form of information, consultation, or agreement, and at the stage specified by mandatory legal regulations, if required by law. The frequency may vary depending on the frequency of updates or the implementation of new regulations affecting employees.

The Employee Relations Manager (reporting to the Chief Human Resources Officer) and a member of the Legal team dealing with employee matters are responsible for cooperation with employees and the Trade Union.

REMEDICATION OF NEGATIVE IMPACTS

[S1-3]

The Allegro Group operates a comprehensive whistleblowing system aimed at efficiently managing complaints from employees and other stakeholders. For issues that are considered resolvable within the Allegro Group without fear of retaliation, it is recommended to use the internal channel, guaranteeing confidentiality and anonymity for the whistleblowers. For matters requiring escalation or related to legal violations, reports can also be directed externally to public authorities or EU institutions.

Internal reports can be made via the platform available at the following web address: <https://whistleblowing.allegrogroup.com>. Employees can also reach out to the Chief Security Officer (CSO),

Employees Relationship Manager, or Risk and Compliance Manager, depending on the subject, and share their concerns. The Allegro Group informs employees and other stakeholders about the possibility of using the platform to report violations, it is also part of the obligatory training on compliance every employee should receive.

The mechanism for handling employee complaints within the Allegro Group includes several stages aimed at ensuring fair and confidential processing of reports. More information and detailed presentation of the Whistleblowing Procedure is presented in the G1 Business Conduct chapter.

ACTIONS AND RESOURCES RELATED TO OWN WORKFORCE

[S1-4]

To manage the significant risks related to working conditions, several actions have been implemented towards the Allegro Group's own workforce. To continuously assess and monitor employee needs, the Allegro Group conducts an annual Engagement Survey mentioned above.

Equal opportunities and fairness

Throughout the year, the following initiatives were conducted:

- The Neurodiversity Project aimed at raising awareness about neurodiversity, exploring organizational needs concerning neurodiversity at both individual and leadership levels, and providing recommendations for actions to further address this topic.
- Running the AllWomen Network, an informal community of Allegro's female leaders who share ideas, best practices, and inspire each other through their own experiences and stories.
- Awareness and knowledge-building sessions on DE&I (webinars, workshops, the "Leadership by Design" women's leadership development program).

All the Allegro Group employees also have access to Mindgram, an innovative platform that is part of the Allegro Group comprehensive benefits package, particularly focused on mental well-being. Mindgram is designed to help employees maintain mental health and overall well-being by offering a variety of tools and resources. These include personalized content such as articles, exercises, and webinars tailored to improve mental health, covering a wide range of topics such as coping with work-related stress and developing positive strategies for dealing with personal challenges.

Part of the collaboration with Mindgram is the "Well-being Vibe" functionality, designed with employee well-being in mind. It allows for diagnosing an employee's well-being and mental health, detecting burnout levels, identifying areas for improvement and change, and obtaining immediate results and recommendations for the next steps.

The Allegro Group actively fosters a culture of social responsibility by encouraging employees to engage in volunteer activities that make a positive impact on communities. As part of its commitment to fostering a supportive and purpose-driven work environment, the Allegro Group promotes initiatives that strengthen employee engagement and well-being while making a positive social impact. In 2024, 900 Allegro employees took advantage of their volunteering day-off, dedicating a total of 7,301 hours to community service. These efforts reflect the Allegro Group's approach to corporate social responsibility, reinforcing its values of engagement, inclusion, and social impact while fostering a strong and purpose-driven workforce.

Through these actions, the Allegro Group supports development of its employees which mitigates the risk that they will look for other opportunities. Furthermore, the Allegro Group aims to reduce the risk of talent loss through its efforts to narrow the pay gap and provide a range of benefits and training. The Allegro Group will continue the undertaken actions in 2025 and in the following years thanks to the engagement of the Human Resources team where there are persons dedicated to handling benefits, training and access to tools, as well as relations with Trade Unions and Employees Representations.

The goals related to the own workforce resources are described in the subchapter Target related to own workforce.

Health and safety

There are also several actions towards management of the health and safety risk and impact. Work safety instructions and procedures help mitigate the risk of accidents in the workplace. Employees undergo safety training, which is designed to minimize the number of accidents.

The Allegro Group has units responsible for occupational safety and health, workers development, and HR matters. Their activities address the management of significant risks and impacts on the workforce, and are integrated into the daily responsibilities associated with their positions within the Allegro Group.

There is a special alias and a dedicated channel on the Allegro Group messenger for communication with the OHS department. Employees have access to an internal OHS webpage, containing information on accident prevention, ergonomic and mental health support. In case of a more serious accident, workers are additionally informed of the risks, together with recommendations for avoiding them. The Allegro Group's offices and warehouses have been designed to be comfortable and safe, and safety procedures make it possible to eliminate situations that may pose a threat to workers health. The Health and Safety team does regular checks to make sure everything is safe and healthy at work.



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METRICS OF ALLEGRO GROUP OWN WORKFORCE

Characteristics of the Allegro Group employees and non-employees

The following data outlines the mandatory ESRS requirements for the Allegro Group's employees and non-employees. Each table includes detailed accounting principles.

[S1-6]
The tables below present, in accordance with the ESRS, regions where the company employs more than 10% of the total number of employees.

ACCOUNTING PRINCIPLES

Data on the number of employees (the headcount) by gender and country, specifically referring to individuals employed under an employment contract, comes from the internal HR system as of December 31, 2024. Due to the various types of employment contracts in different countries where the Allegro Group operates, 135 individuals on Czech and Slovak agreements, which do not have equivalents in Polish law but share some characteristics with an employment contract, have been included in the employee count. However, for certain calculations (such as the equal pay gap and unadjusted gender pay gap), they have not been included due to either the absence of specific characteristics or a lack of data. Due to local provisions in some countries information about employees' gender is not obligatory to collect, such cases were classified as "other/ no information".

The total number of employees

Employees	2024 Allegro Group	2024 Polish Operations	2024 Czech Operations	2024 Slovenian Operations	2024 Other Operations	2023 Allegro Group	2023 Polish Operations	2023 Czech Operations	2023 Slovenian Operations	2023 Other Operations
Men	3,238	2,610	460	136	32	3,022	2,300	565	128	28
Women	2,729	2,044	506	148	31	2,492	1,848	486	128	31
Other/ no information	13	5	1	5	2	0	0	0	0	0
Total	5,980	4,659	967	289	65	5,514	4,148	1,051	256	59

The table below presents data on the number of employees employed under permanent and temporary contracts. The majority of the Allegro Group's employees hold permanent contracts.

In 2024, the Allegro Group had a 21% turnover rate, with 1249 leavers.

Form of employment of employees

Employees	2024 Allegro Group		2023 Allegro Group	
Permanent employees	5,044	84%	4,881	89%
Men	2,727	54%	2,712	56%
Women	2,316	46%	2,169	44%
Other / no information	1	0%	—	—
Temporary employees	936	16%	633	11%
Men	511	55%	310	51%
Women	413	45%	323	49%
Other / no information	12	0%	0	0
Non-guaranteed hours employees	0	0%	0	0
Men	0	0%	0	0
Women	0	0%	0	0
Total	5,980	100%	5,514	100%

ACCOUNTING PRINCIPLES

Data on the number of employees (the headcount) by form of employment comes from the internal HR system, as of December 31, 2024. The Allegro Group does not employ anyone without guaranteeing a number of working hours. Due to local provisions in some countries information about employees' gender is not obligatory to collect, such cases were classified as "other / no information".

In the case of employee turnover, the data consists of two parts: 1 – the numerator, which is the sum of leavers from the selected time period; 2 – the denominator, which is the average number of active employees during the same period. All data comes from the internal HR system. The number of employees is consistent with the consolidated financial statements.

[S1-7]

In addition to hiring its own employees, the Allegro Group also utilizes the work of non-employees, such as those collaborating with the Allegro Group under civil law contracts, B2B contractors, and through employment agencies mainly during peak time.

The total number of non-employees

	2024 Allegro Group	2023 Allegro Group
Non-employees	907	1,110

ACCOUNTING PRINCIPLES

The above data is disclosed in the number of non-employees (headcount) at the end of the reporting period (as of December 31, 2024).

DIVERSITY METRICS

[S1-9]

The Allegro Group values diversity at all levels of the organisation including its Board of Directors and its senior and middle management. In the Board of Directors of the Allegro Group, 30% of the members are women, which is consistent with the Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies and related measures. The table below illustrates how diversity is represented in practice within the Allegro Group in various positions. In the Allegro Group it is believed that diverse teams provide different perspectives and foster business growth.

To support this, the Allegro Group has increased the representation of women in leadership roles, reduced the equal pay gap to 3%, provided training programs on inclusion and equality, and implemented recruitment practices that ensure a balanced representation of genders. By promoting diversity, the Allegro Group aims to create an inclusive environment that encourages innovation and enhances decision-making processes.

The table below presents diversity indicators at various career levels. In 2024, in each career level the diversity metrics were improved.

Gender distribution in the Allegro Group

	2024 Allegro Group		2023 Allegro Group	
Board of Directors (BoD)				
Women	3	30%	3	27%
Men	7	70%	8	73%
Total BoD	10	100%	11	100%
Senior managers				
Women	22	26%	17	20%
Men	64	74%	67	80%
Total senior managers	86	100%	84	100%
Middle managers				
Women	250	32%	203	31%
Men	530	68%	459	69%
Other/ no information	1	0%	—	—
Total middle managers	781	100%	662	100%
Experts and specialists				
Women	2,457	48%	2,272	48%
Men	2,644	52%	2,496	52%
Other/ no information	12	0%	—	—
Total experts and specialists	5,113	100%	4,768	100%
Total employees	5,980	—	5,514	—

ACCOUNTING PRINCIPLES

The data above is reported in the headcount that comes from the internal HR system, as of December 31, 2024. The percentages in the table refer to the subgroup (defined by career level and gender) share in the total group (senior management – career level 8 and above, middle management – career level 6 and 7, experts and specialists – career level 5 and below).

The table below presents data on age groups among the Allegro Group employees.

Distribution of employees by age group

	2024 Allegro Group		2023 Allegro Group	
Age <30	1,697	28%	1,622	29%
Age 30-50	4,072	68%	3,727	68%
Age >50	202	3%	165	3%
Undisclosed	9	1%	0	0
Total	5,980	100%	5,514	100%

ACCOUNTING PRINCIPLES

The data above is reported in the headcount that comes from the internal HR system, as of December 31, 2024. The percentages in the table refer to the subgroup defined by age.

[S1-12]

The Allegro Group employs people with disabilities. At the end of the reporting period 1% of employees have a disability certificate issued by the relevant authorities in the country.

TRAININGS AND SKILLS DEVELOPMENT

[S1-13]

To provide an attractive culture where talent thrives, develops and feels supported, the Allegro Group has prepared a large selection of programmes, workshops, webinars, conferences, etc., for employees, in cooperation with internal and external trainers, available through dedicated development platforms such as MindUp. On average employees received 31 hours of training. The Allegro Group's approach to development is based on a 70/20/10 learning model, promoting a holistic development culture through: participating in formal programs, gaining knowledge from others, applying skills in real-world contexts like projects, new assignments.

To provide employees with a clear picture of their career path, the Allegro Group has established a classification system for all positions by level.

Career levels are determined by evaluating positions. It provides a broader context for identifying development opportunities.

There is also a Talent & Performance Management Programme which was developed for better organisational performance management. It consists of setting targets, calibrating and evaluating individual performance against corporate strategy and individual employee goals.

The promotion path is closely related to employee evaluation and is based on an objective assessment of the level of competencies and skills, based on a set of criteria that are especially relevant to the Allegro Group and reflected in The Allegro Way. The Individual Development Plan (IDP) has also been

implemented as a tool to support the process of planning development activities. It helps to define development goals, identify activities that will facilitate the acquisition or improvement of the key competences necessary to achieve these objectives and to identify strengths that can be used in daily work to achieve success.

There is also a group of talent experts called the Talent Acquisition Team. It sources and informs candidates about what the Allegro Group does and the projects it undertakes to find the best experts in the job market and encourage them to come to work for the Allegro Group.

Below there is a table presenting the percentage of employees who participated in regular performance reviews and career development.

Percentage of employees who participated in regular performance reviews and career development

Employees	2024 Allegro Group
Men	94%
Women	95%
Total	95%

ACCOUNTING PRINCIPLES

The data above is sourced from the internal HR system, as of December 31, 2024. Career development data only includes information on employees with employment contracts, not contractors or seasonal employees.

The table shows the average number of training hours, reflecting the Allegro Group's commitment to employee development.

Average number of training hours for employees

Employees	2024 Allegro Group
Men	38
Women	23
Total	31

ACCOUNTING PRINCIPLES

The data above is sourced from the Allegro Group's learning management system, MindUp (for Ceneo from November 4, 2024), and from Eklektika, a language school that provides language classes for Allegro employees. The data covers the entirety of 2024. Data for Ceneo employees' statistics from 01.01.2024 till 03.11.2024 was obtained from other sources.

HEALTH AND SAFETY

[S1-14]

The Allegro Group complies fully with national and European OHS standards, indicating that its health and safety management system aligns with recognized guidelines and is comprehensive across its operations. 100% of the Allegro Group's own workforce are covered by OHS.

The table below presents data on workplace accidents and injuries, reflecting the impact of health and safety measures in the Allegro Group's facilities. Due to changes in methodology there is no comparable data with previous reporting periods, except number of fatalities which counted 0.

Work-related accidents in own workforce

	2024 Allegro Group
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of recordable work-related accidents for own workforce	32
Rate of recordable work-related accidents for own workforce	3
Number of cases of recordable work-related ill health of employees	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	387

ACCOUNTING PRINCIPLES

Incident data for Polish entities was taken from the accident registers as of December 31, 2024. Data for non-Polish entities were provided by external parties. Working hours are based on the report from the internal database. The rate of recordable work-related injuries is counted by dividing the respective number of cases by the number of total hours worked by people in their own workforce and multiplied by 1,000,000.

REMUNERATION

[S1-10]

All wages in the Allegro Group are equal to or higher than the adequate minimum wage in all of the countries where the Allegro Group operates. The Allegro Group complies with the local labour regulations that mandate social insurance protection for employees against significant life incidents such as illness, unemployment initiating while employed,

work-related accidents, acquired disabilities, parental leave, and retirement. Protection is provided by public programs in line with local labour law which enforces comprehensive statutory social protection for all workers. The Allegro Group, as a responsible employer, meets these legal requirements for all its employees.

[S1-16]

One of the primary goals for the Allegro Group is to ensure equal pay for women and men. To achieve this, the organization has chosen to present both equal pay and unadjusted gender pay gaps. The equal pay gap provides a comparison of basic earnings at similar career levels and within job families. This better reflects the reality of pay differences by

accounting for job roles and career progression. As such, the Allegro Group has decided to set a target for the equal pay gap. On the other hand, the unadjusted gender pay gap, calculated in accordance with ESRS, compares the gross hourly remuneration (basic and benefits) of men and women without considering the job family or career level.

Gender pay gap rates

2024 Allegro Group	Gender pay gap	Equal pay gap
Employees	34%	3%

ACCOUNTING PRINCIPLES

The data in the table above is reported in the headcount, as of December 31, 2024. The equal pay gap is calculated through a method that accounts for variables such as job family and career level, aimed at offering a more nuanced understanding of pay disparities between genders. This calculation is conducted in two primary stages. Initially, the analysis focuses on specific job families and their respective career levels, where an average weighted score is determined for each job family by comparing the base salaries of women to those of men within the same career level. This involves calculating the average base salary for women and men at each career level within a job family and then weighting these results based on the number of employees at each level.

The process is repeated, this time considering only the aggregated scores for each job family and the total number of employees within those families. The outcome of this methodology is a singular figure that represents the equal pay gap, thereby providing a measure that reflects pay differences with adjustments for position and level within the organisation.

The unadjusted gender pay gap, according to the ESRS, is the difference in average pay (base salary, bonuses paid in 2024 and Allegro Incentive Plan (AIP) vesting in 2024) levels between men and women, expressed as a percentage of the average pay of male employees by the difference in average hourly earnings between men and women.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) amounts to 53.94.

ACCOUNTING PRINCIPLES

The remuneration data comes from the Allegro Group's internal payroll system and data on AIP value is based on the spot value of vested shares. The total remuneration includes the base salary as well as paid bonuses, and AIP vesting in 2024, while non-cash benefits are not included.

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COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

[S1-8]

In the Allegro Group only the employees of Mi-movrste spletna trgovina d.o.o. and Internet Mall d.o.o. 313 employees, i.e., 100% of employees in these entities as of December 31, 2024, are covered by the collective bargaining agreement on the industry level. The Slovenian and Croatian employees constitute 5% of the Allegro Group employees.

There is only one Trade Union active in the Allegro Group which has members in three Polish entities:

Allegro Sp. z o.o., eBilet Polska Sp. z o.o. and Allegro Pay Sp. z o.o. All employees of those entities, i.e., 94% of the employees in Poland, are covered by workers' representatives when it comes to collective employment matters. As individual employment matters are concerned, only Trade Union members (just over 1% of the Allegro Group employees) are covered by workers' representatives.

INCIDENTS AND COMPLAINTS

[S1-17]

The Allegro Group does not identify significant risks of forced, compulsory or child labour in its own operations in the countries in which it operates. In 2024, the Allegro Group did not identify any severe incidents regarding respect for human rights and did not receive related fines or penalties.

The table below presents the total number of discrimination and mobbing cases filed by the Allegro Group's own workforce, as well as the number of complaints filed, presented by reporting channels.

Human rights incidents for workforce

	2024 Allegro Group
Number of filed cases of discrimination	2
Number of filed cases of mobbing	7
Number of complaints filed through channels for people in own workforce to raise concerns (including mobbing and discrimination)	9
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0

ACCOUNTING PRINCIPLES

The data above is sourced from Allegro's platform dedicated to whistleblowing and from the National Contact Points for OECD Multinational Enterprises, aggregated cumulatively as of December 31, 2024.

S4 CONSUMERS AND END-USERS

IMPACT, RISK AND OPPORTUNITY (IRO)

[SBM-3]

The mission of the Allegro Group is to simplify the buying and selling process to make it as friendly and accessible as possible for consumers and merchants (end-users). Therefore, the Allegro Group strives to ensure that online shopping is simple, safe, and satisfying, which includes caring for cybersecurity, accessibility, and product safety. Impacts, risks and opportunities related to these topics are connected with All4People and the Good Governance pillar of the Allegro Group's ESG strategy.

The materialization of the risks listed in the table below arises from the business model, which involves operating online platforms and collaborating with merchants, and may affect the achievement of the goals set in the strategy. At the same time, leveraging the opportunities listed in the table below can contribute to better achievement of strategic goals and an improved market position.

List of the Allegro Group's material impacts, risks and opportunities

Material topic	Type of material IRO	Material IRO	Value chain part
Cybersecurity	Negative potential impact	The potential possibility of security breaches of users' data	Upstream, own operations, downstream
	Risk	Despite our best efforts to mitigate, there is still a possibility of cyberattacks	Upstream, own operations, downstream
	Opportunity	An opportunity to develop solutions against cyberattacks, providing a competitive advantage in the market, and to be better positioned and recognized by stakeholders as a company that uses data responsibly and is resistant to cyberattacks	Upstream, own operations, downstream
	Positive actual impact	Adherence to high standards of data protection through the use of cybersecurity audits, employee training, etc.	Upstream, own operations, downstream
Consumer & product safety	Negative potential impact	Despite the due diligence process and safety controls some non-original products, or products which could potentially be harmful or dangerous, might appear on the Allegro platforms and then enter the market	Own operations, downstream
	Risk	Products sold by merchants on marketplace may slip through compliance and safety checks despite the requirement to adhere to the Allegro Group principles	Own operations, downstream
	Positive actual impact	The Allegro Group ensures customer safety by strict listing rules, automated checks, partnerships with authorities, and robust consumer protections like customer protection programs, reviews, and customer support	Own operations, downstream
	Opportunity	A wider and more accessible network deliveries to APMs and PUDOs could result in increased customer numbers and revenue	Own operations, downstream
Accessibility	Positive actual impact	Enhancing the digital accessibility of the Allegro Group's services simplifies shopping for people with special needs, allowing them to fulfill most of their shopping in one online platform with convenient delivery	Own operations, downstream

All impacts are related to and closely connected with the business model of the Allegro Group and the adopted strategy, which are described in more detail in chapter General information.

They assume further development of the online platform and an increase in the number of customers and merchants served. The Allegro Group, as part of the policies and actions described below, mitigates existing risks and strives to maximize existing opportunities.

The Allegro Group attracts a wide range of buyers thanks to its vast selection of products. Customers can choose from various delivery options, including parcel machines, pickup points and couriers. The platform connects customers with merchants and facilitates the purchase and sale of products. The Allegro Group minimizes the risk of the possibility of illegal products (specific actions are described later in this chapter). Products purchased through Allegro's platforms meet the requirements for proper labeling as mandated by law, and if required, they come with user manuals that assist in the correct use of the purchased products.

Individuals aged 13 to 18 can use the service, but their accounts are specifically marked as "Junior" and have certain restrictions regarding access to product categories that are not intended for minors, including those that may be harmful to them. The potential negative impact concerning the possibility of user data security breaches is inherent in the platform's operations, which are exposed to attempts to obtain customers' personal data.

Positive impacts result from the activities of the Allegro Group. Maintaining high standards of personal data protection is fundamental to maintaining a good reputation among customers and building their trust in online shopping. High standards of user protection against dishonest sellers also build trust among customers, increasing their engagement and

the number of active platform users. Wide access to Allegro services in Poland is related to expanding the product and service offerings for customers and expanding the network of parcel machines. All described impacts concern the Allegro Group customers, i.e., people making purchases on the platform.

During the double materiality process, the Allegro Group did not differentiate customers into specific groups, assuming that the impacts, risks, and opportunities affect each customer to the same extent or that the differences were not significant. Due to legal requirements there are some restrictions with regards to Junior customers accounts as presented above.

Some of the diagnosed risks arise from the impact that the Allegro Group has on customers and end users. The risk of selling non-original products concerns all buyers on the sales platform and stems from the potential negative impact of the possibility that non-original, harmful, or dangerous products may appear on the Allegro platform and subsequently enter the market in this way. The second risk resulting from the influence of the Allegro Group is the possibility of cyberattacks, which is directly related to the potential negative impact on all users of the Allegro platform.

In the double materiality analysis process, the Allegro Group gathered stakeholder opinions, including those related to the respect for human rights, and based its goals on these insights regarding significant topics. Above all, the Allegro Group continuously monitors user feedback and satisfaction among customers and merchants. The result from these analyses are communicated to the Board of Directors and, when necessary, incorporated into strategic actions. Moreover consumer protection laws are implemented within the Allegro Group, ensuring an appropriate level of respect for consumer rights.

POLICIES RELATED TO CONSUMERS AND END-USERS

[S4-1]

The Allegro Group is committed to ensuring a safe and accessible online shopping experience for all users. To achieve this, the Allegro Group has established comprehensive policies that address

key areas such as accessibility, cybersecurity, and product safety. Below are the specific policies and initiatives that reflect the Allegro Group's dedication to these critical areas.

Policies

Area	Material IRO	Corresponding policy
Cybersecurity	The potential possibility of security breaches of users' data	The Security Policy The Privacy Policy
	Despite our best efforts to mitigate, there is still a possibility of cyber attacks	
	An opportunity to develop solutions against cyberattacks, providing a competitive advantage in the market, and to be better positioned and recognized by stakeholders as a company that uses data responsibly and is resistant to cyberattacks	
	Adherence to high standards of data protection through the use of cybersecurity audits, employee training, etc.	
Consumer & product safety	Despite the due diligence process and safety controls some non-original products, or products which could potentially be harmful or dangerous, might appear on the Allegro platform and then enter the market	Risk Management Plan regarding product safety risks GPSR Procedures Terms and Conditions for merchants
	Products sold by merchants on marketplace may slip through compliance and safety checks despite the requirement to adhere to the Allegro Group principles	
	Allegro Group ensures customer safety by strict listing rules, automated checks, partnerships with authorities, and robust consumer protections like customer protection programs, reviews, and customer support	
Accessibility	A wider and more accessible network deliveries to APMS and PUDOs could result in increased customer numbers and revenue	Web Content Accessibility Guidelines (WCAG) Internal guidelines on Safety, Accessibility, and Aesthetics of Allegro's One Box Parcel Lockers
	Enhancing the digital accessibility of Allegro's services simplifies shopping for people with special needs, allowing them to fulfill most of their shopping in one online platform with convenient delivery	

Cybersecurity

With regards to cybersecurity, the Allegro Group has implemented a Security Policy, technical safeguards and many internal procedures and processes aimed at reducing the probability of events which will have potential negative impact of user data security breaches. At the same time, the Security Policy enhances the actual positive impact of adhering to high standards of personal data protection. This, in turn, reduces the risk or magnitude of a cyberattack. The implementation of actions resulting from the Security Policy affects the security of Allegro platforms users – both merchants and customers. By counteracting threats such as cyber threats and potential service disruptions, the Allegro Group protects consumer trust and strengthens its competitive advantage.

As part of the Security Policy, the Allegro Group focuses on building a platform resilient to external threats such as distributed denial of service (DDoS) attacks, hacking attempts, and data breaches. The overarching goal of this policy is to ensure the security of the Allegro Group's technical infrastructure and prevent data leaks while maintaining operational continuity and building trust among stakeholders. This policy addresses significant risks associated with cyber threats, particularly the possibility of unauthorized access to confidential information.

To achieve these goals, the Allegro Group emphasizes both technical resilience and stakeholder education. The Allegro Group continuously develops and modernizes its security infrastructure to stay ahead of evolving threats, ensuring the protection of its systems and user data. Additionally, the Allegro Group actively informs its employees, customers, and merchants on best practices in cybersecurity, increasing overall awareness of safe technology use. The policy is actively monitored and adjusted to remain effective in the dynamic cybersecurity environment.

In terms of technical resilience, the Allegro Group focuses on its own operations. However, it includes its own workforce and stakeholders in the value chain (upstream and downstream).

An interdisciplinary security team is involved in security-related activities. The Allegro Group's Computer Emergency Response Team (**CERT**) was established to enhance security levels and increase security awareness among employees and users. It includes members from the following teams: Information Security Team, Computer Security Incident Response Team, Cyber Defense and Crime Team, Anti-Fraud Operations Team, and Law Enforcement Cooperation Team. Additionally, due to the Board of Directors involvement in security and privacy topics, they are part of the Audit Committee's competencies.

The Allegro Group's Security Strategy is based on robust risk management, adherence to global standards, and proactive actions to ensure service reliability and data protection. Regular risk assessments, post-mortem incident analyses, and audits guide the approach, complemented by compliance with standards such as ISO 2700x guidelines, National Institute of Standards and Technology (NIST), Center for Internet Security (CIS), COBIT, and OWASP. The Allegro Group holds PCI DSS v4 certification (Level 1 Service Provider and Merchant), reflecting its commitment to secure payment processes and consumer data protection. Additionally, the Allegro Group uses the COBIT framework (Control Objectives for Information and Related Technology) for IT governance and management, providing a structured approach to risk mitigation. The Allegro Group applies best practices from the Open Worldwide Application Security Project (OWASP) to eliminate potential application security vulnerabilities. These standards form the common foundation of the Allegro Group's policies and initiatives aimed at effectively managing significant impacts, risks, and opportunities. The Allegro Group does not disclose its Security Strategy or other cybersecurity-related procedures. However, the Allegro Group's corporate website provides a Privacy Policy that addresses data security and sharing.

The Allegro Group's operations involve processing significant amounts of personal data from both merchants and customers. Aware of the sensitivity of this responsibility, the Allegro Group places great emphasis on personal data protection. The Allegro Group fully complies with the General Data

Protection Regulation (GDPR) and closely monitors decisions and guidelines issued by the Data Protection Authority (DPA) and the European Data Protection Board (EDPB), adjusting policies and processes as needed. The Allegro Group ensures the rights of employees, customers, and partners regarding their personal data, including the right to erasure (right to be forgotten), rectification, access to copies of personal data, and the ability to withdraw or give consent for data processing.

Consumer & product safety

The Allegro Group is committed to ensuring that customers receive safe and legal products. To this end, the Allegro Group has dedicated teams responsible for verifying merchants through rigorous processes to ensure compliance with specified quality standards. The actions taken are formalized within the framework of documents like the Risk Management Plan regarding product safety risks of Allegro Sp. z o.o. and GPSR products safety procedures. They aim to reduce the risk that illegal or dangerous products will enter the market.

The steps taken by the Allegro Group relate to the potential positive impact of maintaining high standards of user protection (especially buyers). These actions also aim to mitigate the risk that, despite the requirement to adhere to principles agreed upon by all parties, sold products may not pass compliance and safety checks. They are directed at merchants in the value chain (upstream).

A dedicated team in the Trust and Safety Department is responsible for implementing the adopted assumptions. Additionally, all consumer-trust-related policies (focused on product safety, anti-counterfeiting, elimination of non-compliant products, antifraud) have been approved by the Board of Directors.

The Allegro Group complies with the regulations resulting from the General Product Safety Regulation (GPSR), which came into effect on December 13, 2024. The GPSR is a European Union regulation aimed at ensuring a high level of consumer protection. Businesses must ensure that products placed

on the market are safe. This includes assessing the safety of products, taking into account their characteristics, labeling, instructions, and potential hazards, which the Allegro Group communicates to merchants through materials available on the website.

The Allegro Group does not disclose the details of its Trust and Safety Policies or other product safety-related procedures on its website. Merchants are informed about the provisions of the law, the Allegro Group, and the resulting obligations in general in Allegro's Terms and Conditions and during their cooperation with the platform (e.g., subsequent to content moderation, other restriction).

Accessibility of services and products

The Allegro Group strives to increase its actual positive impact, which is the wide access to Allegro services in Poland. The ambition of the Allegro Group is to make the platform and services accessible to everyone, including people with disabilities, ensuring that all people, regardless of their situation, find the Allegro Group's website and services simple and user-friendly. This activity was implemented through many different processes and teams, and in 2024 this process was formalised because of preparation for implementation of the European Accessibility Act which will come into force on June 28, 2025. The aim is to bring the website into compliance with legal requirements. These actions are carried out by user experience (UX) teams. This includes regular audits and updates to remove barriers and improve overall functionality.

There is also a team of over 200 experts from various fields (UX, Customer Experience – CX, ESG, engineers, product managers) supporting an inclusive digital environment, who share knowledge through internal communication tools. Accessibility issues and plans are supported by the Chief Technology of Product Officer, who is responsible for technology. Additionally, in 2024 an accessibility audit of the website and mobile application of Allegro was conducted, to identify areas requiring improvement. The shortcomings identified in the audit are gradually being addressed by a dedicated team of web-developers

and designers. There are also additional initiatives like the Accessibility Festival, which aim is to educate the Allegro Group Employees on accessibility.

The Allegro Group adheres to international accessibility standards, such as the Web Content Accessibility Guidelines (**WCAG**), which set the principles for designing accessible websites. Allegro Sp. z o.o. is also a member of the Business Accessibility Forum. The aim of this organisation led by Fundacja Widzialni is to build awareness of digital accessibility among companies operating in Poland.

With regards to physical accessibility of automated parcel machines Allegro implemented "Internal Guidelines on Safety, Accessibility, and Aesthetics of Allegro's One Box Parcel Lockers". The Guidelines were prepared in consultation with non-profit organizations, representatives of communities and hous-

ing cooperatives, as well as local governments. Their aim is to establish high standards for the installation of parcel lockers and the selection of their locations, significantly improving accessibility of the One Box by Allegro network and the experience of its customers. Guidelines are used by operational teams responsible and are supervised by the Manager of Sustainability Operations. The Internal Guidelines on Safety, Accessibility, and Aesthetics of Allegro's One Box Parcel Lockers references compliance with several third-party standards and initiatives, including: Ministry of Development, "Construction ABC" – Design Standards for Buildings for People with Disabilities, City of Poznań, Department of Urban Planning and Architecture, Guidelines for parcel lockers or other vending machines on city land and Kowalski K., "Designing without Barriers – Guidelines" published by the Friends of Integration Association.



TARGETS RELATED TO CONSUMERS AND END-USERS

[S4-5]

The Allegro Group has set a goal to train over 90% of its employees in cybersecurity by 2025. No baseline year has been adopted for measurements and no intermediate goals or other assumptions have been disclosed.

The goal of training employees stems from the Allegro Group's adopted ESG strategy and directly relates to the risk of data protection and privacy breaches. In the case of cyberattacks, it is often the human factor that determines the effectiveness of the attack, which is why the Allegro Group trains its employees to reduce the risk of successful cyberattacks. Increasing cybersecurity and reducing the potential risk of digital attacks is one of the Allegro Group's priorities. This is not only a matter of corporate responsibility but also a strategic imperative to maintain customer loyalty and market position.

The goal was established based on the analysis of survey results sent to stakeholders as part of the

double materiality analysis process. The goal was approved by the Board of Directors. The achievement of the goal is regularly monitored by the ESGCo. The percentage of trained employees is published in the Sustainability Statement, which is available to stakeholders.

By decision of the Board of Directors, the Allegro Group prioritizes its ESG (Environmental, Social, Governance) actions and has decided to set ESG goals only for the most significant areas. Consequently, no goals related to impacts, risks, and opportunities related to Accessibility and Product Safety have been disclosed. This approach aims to focus efforts on key aspects that have the greatest impact on the Allegro Group's sustainable development and its environment.

In 2024, the Allegro Group managed to train 89% of its employees on cybersecurity.

Cybersecurity trainings

Allegro Group	2024	2023	% change 2024/2023
Cybersecurity trainings	89%	58%	+31 p.p.

ACCOUNTING PRINCIPLES

The indicator takes into account the number of employees employed under an employment contract, excluding individuals without a business email address and positions without access to a computer – this serves as the denominator in the formula. The numerator is the number of employees who have completed the training. Data on training completion comes from the internal system.

ACTIONS AND RESOURCES RELATED TO CONSUMERS AND END-USERS

[S4-2]

The Allegro Group engages with customers through various communication channels, including the contact form, Allegro chat, contact channel for deaf users, NPS surveys, periodic surveys, and the Allegro Gadane community. More detail is described in ERS2 chapter “Value chain and cooperation with stakeholders”. During the double materiality analysis process, the Allegro Group gathered both merchants and consumers opinions on its impacts.

These channels facilitate ongoing interactions with consumers and allow the Allegro Group to collect feedback and perspectives. For impact materiality assessment, such a survey is sent at the initial stage of the double materiality analysis process, and its results are considered when setting the Allegro Group's ESG strategic goals.

The Customer Experience team is responsible for maintaining customer contact channels and prepares reports with conclusions drawn from the feedback and perspectives provided to the Allegro Group. The most important current issues are presented to the Board of Directors.

Cybersecurity, privacy and data protection

[S4-3]

The Allegro Group recognizes the importance of safeguarding its users and maintaining the integrity of its services. To address these challenges, the Allegro Group has established a dedicated CERT that focuses on monitoring, analyzing, and responding to cybersecurity threats. This proactive approach not only enhances the security of the platform but also fosters trust among consumers and partners. Below are the key activities undertaken to ensure a secure digital environment for stakeholders.

The CERT team operating within the Allegro Group has the following goals:

- monitor and analyze security at the Allegro Group;
- respond to cybersecurity threats;
- exchange information, knowledge, and experiences in cybersecurity with external CERT teams;
- raise security awareness among employees and users.

As part of its activities, CERT coordinates and handles incidents and other events related to cybersecurity threats at the Allegro Group and actively responds to direct cybersecurity threats to users.

The earlier the team knows about vulnerabilities and incidents, the faster it can respond and mitigate any potential threats. There are many ways for users to report incidents – from formal paths (ticket systems, emails, internal chat channels) to informal ones (phone calls or internal communication messages to the security department). These communication channels were established by the Allegro Group.

Consumers and merchants may use one of the following communication channels: Allegro chat, the Allegro Gadane community, or email. Regardless of the channel, it is important that the information reaches the Security Incident Commander team, whose members are on duty 24 hours a day, 7 days a week, and are responsible for coordinating the resolution of security incidents and appropriately escalating and communicating progress within the organization.

[S4-4]

The Allegro Group operates a dedicated website (cert.allegro.com) where it shares best practices for safe internet and platform usage, and security alerts. This way, Allegro users are warned about phishing attempts or other activities where criminals impersonate the Allegro Group. Access to alerts and cybersecurity information is available to all stakeholders within the value chain. The website is available in Polish, English, and Ukrainian and all languages of countries Allegro platform operates in – Czech, Slovak and Hungarian. The operation of the Allegro CERT website is not time-limited.

The primary goal is to minimize the risk of recurrence of detected incidents by Allegro CERT. Security remains an integral part of the Allegro Group's strategy, and the team continuously improves processes to adapt to the dynamic landscape of cybersecurity.

CERT team, also collaborates with other CERT teams in Poland and worldwide, particularly within the Trusted Introducer framework. CERT is a member of Trusted Introducer, an initiative of the largest European organization bringing together cybersecurity response teams. Its representatives are also active members of various working groups, including the IAB Poland Cybersecurity Group and the CSO Council.

Additionally, cyberattack resilience tests are conducted, which aim to assess the effectiveness of the actions taken. We conduct phishing tests on employees to verify the effectiveness of cybersecurity training. Engaging external professional entities, including through Bug Bounty programs where ethical hackers are invited to test the platform, aims to evaluate the effectiveness of the implemented security measures on the Allegro platforms. Reports on the causes of incidents and remedial plans set

the direction for actions to be taken to mitigate the potential negative impact related to cybersecurity.

The assessment of whether cybersecurity enhancement actions are effective results from conducted tests and audits. The effectiveness of cybersecurity measures can provide a competitive advantage in the shopping platform market. Effective security measures can also influence stakeholders' opinions of the Allegro Group as an organization that responsibly uses data and is resilient to cyberattacks.

The Allegro Group employs proactive and reactive security measures, recognizing that incidents remain a persistent risk despite preventive efforts. To address potential impacts on consumers and end-users, the Allegro Group maintains contingency plans, which are regularly tested and refined using insights from simulations of historical incidents affecting similar organizations and hypothetical scenarios, such as data breaches or malware infiltration. These exercises evaluate platform resilience, assess incident response effectiveness, and ensure continuous improvement in mitigating risks. By systematically tracking the outcomes of these actions, the Allegro Group strengthens its capacity to prevent, mitigate, and address security-related disruptions while aligning with its commitment to safeguarding user interests. The Allegro Group will continue to work on enhancing cybersecurity.

Allegro conducts cybersecurity maturity audits every two years to assess and improve its cybersecurity practices, comparing them with NIST standards. These audits ensure compliance with market expectations and best practices, highlighting the commitment to mitigating potential negative impacts on consumers, particularly related to data usage. Allegro's ambitions are reflected in the current maturity rating of 4.42 out of 5, with a goal of continuous improvement.

In 2024, the Allegro Group was involved in 12 new administrative proceedings initiated by the President of the Personal Data Protection Office. At the same time, there were no new court proceedings regarding concluded administrative proceedings initiated by the supervisory or regulatory authorities.

At every stage of data collection and processing, the Allegro Group ensures that it fulfills the obligation to inform customers about the purpose and scope of processing their data, as well as their right to access and correct it.

Cybersecurity

Metric	2024
The total number of security incidents reported to the appropriate supervisory authorities, e.g., CERT, KNF	0
Personal data breaches reported to supervisory/regulatory authorities	1 ^[1]
New administrative proceedings initiated by supervisory/regulatory authorities (customer complaints, inspections, inquiries)	12
New court proceedings regarding concluded administrative proceedings initiated by supervisory/regulatory authorities (customer complaints, inspections, inquiries)	0
Final decisions issued by supervisory/regulatory authorities imposing financial fines (final decisions are those that have not been appealed, the deadline for filing an appeal has passed, or the decision has been upheld)	1 ^[2]
Final decisions issued by supervisory/regulatory authorities exercising other powers and imposing obligations other than financial fines (final decisions are those that have not been appealed, the deadline for filing an appeal has passed, or the decision has been upheld)	3
Final court judgments upholding final decisions issued by supervisory/regulatory authorities imposing financial fines (final court judgments are those that cannot be appealed)	0
Final court judgements upholding final decisions issued by supervisory/regulatory authorities exercising other powers and imposing obligations other than financial fines (final court judgments are those that cannot be appealed)	0

ACCOUNTING PRINCIPLES

Security incidents that meet the criteria set forth in the NIS directive are reported and will be reported after the national law comes into effect. The focus is on ensuring compliance with legal obligations regarding incident reporting. Incidents (incl. those related to security and data protection) are recorded in the internal system of the Allegro Group. Information regarding initiated proceedings, issued decisions, and imposed penalties comes from information provided by the relevant state authorities.

Expenditures on IT services represent a significant allocation towards maintaining a robust digital infrastructure, data protection, and cybersecurity. These investments directly support the management

of significant impacts related to data security and operational resilience, which are key elements of the Allegro Group's ESG strategy.

[1] It was a minor incident reported to the Polish Data Protection Office (PUODO) – no feedback from the Office.
[2] It was a decision issued by the Czech Data Protection Office imposing a fine of about EUR 2,000 on Allegro Retail a.s., but it considered CZC.CZ actions before the merger took place. The Allegro Group has decided not to appeal against this decision.

CONSUMER & PRODUCT SAFETY

[S4-3]

The Allegro Group is operating in accordance with the Digital Services Act (DSA), which regulates the obligations of digital services, including marketplaces, that act as intermediaries in connecting consumers with goods, services, and content. Under the DSA, Allegro has implemented merchant verification before allowing sales and compliance-by-design procedures concerning pre-contractual information from merchants, including product safety. Allegro emphasizes its commitment to ensuring product safety and consumer protection through these measures. In compliance with the DSA, the Allegro Group is responsible for content moderation, which includes removing illegal or counterfeit content, collaborating with relevant state authorities on illegal content issues, and integrating the DSA provisions into its regulations.

There are many ways for users to report incidents, ranging from formal paths, such as ticket systems, emails, and chat channels, to informal ones like phone calls or internal communication messages to the security department. Consumers and merchants may use one of the following communication channels: Allegro chat, the Allegro Gadane community, or email. The Allegro Group offers an aftersale channel through the Allegro Protect program.

Allegro users can report their concerns related to the legality, potential lack of compliance with Allegro's Terms and Conditions and safety of a product through the contact form and by using the "Report a violation" button at the bottom of the product listing page. Reports are handled by the Trust and Safety team, which is responsible for resolving reported incidents and proposing actions to prevent similar situations in the future. The effectiveness of Trust and Safety teams is then evaluated in consumer surveys. Additionally, Allegro has robust policies against counterfeiting and non-compliant products, including proactive detection and prevention of illegal content, a Striking Policy for repeat infringers, and new-tech solutions such as automation and AI/ML-based monitoring.

[S4-4]

The Allegro Group undertakes a range of actions to ensure the safety and legality of products:

- Fighting counterfeits, dangerous and non-compliant products;
- Consumer Protection and cooperation with regulatory bodies;
- Allegro Protect program.

The actions are related directly to the negative potential, positive actual impacts and risk identified in the double materiality assessment.

The Allegro Group undertakes numerous actions to enforce intellectual property rights protection on its platforms. Ensuring consumer safety in this area is a priority for the Allegro Group, as is eliminating counterfeit goods and any illegal or dangerous offers. In addition to the Rights Protection Cooperation Program (a primary initiative that enables quick and single-point-of-contact cooperation with rights holders and/or entities authorized to represent rights holders), the Allegro Group continuously uses and develops internal tools to prevent, detect, and eliminate counterfeits and any non-compliant content. The Allegro Group creates a community where sellers are fairly evaluated, brands are protected from infringements, and actions are taken to remove and block entities that do not comply with these rules. To achieve a more systematic and scalable approach, the Allegro Group has introduced solutions that, in certain situations, block the sale of branded offers shipped from outside the EEA. These solutions include proactive detection and prevention of illegal content, a Repeat Infringers Striking Policy, new technological solutions (such as automation and AI/ML-based monitoring), and teams specialized in intellectual property and consumer protection law. Additional procedures have been introduced for selected product or service groups that require a special approach. Allegro collaborates with the Never Again Association – it helps identify products whose sale is prohibited due to promoting racist and banned content. These actions are also supported by the Expert Council on Controversial Content, composed of external experts, which assists in evaluating the most challenging cases.

Another example of such actions is the ban on the sale of live or dead specimens of endangered species, which is part of biodiversity protection. In this area, Allegro Sp. z o.o. collaborates with the Salamandra Association, which reports offers potentially violating these rules and provides necessary consultations in all doubtful situations. This regulation extends to ensuring that any trade in animals sold on the platform is conducted in humane conditions and in accordance with relevant legal regulations. The ban on sales includes non-native and invasive species, which is consistent with the law in EU countries.

Additionally, since 2011, Allegro has been a signatory of the Memorandum of Understanding on the Sale of Counterfeit Goods on the Internet, a voluntary agreement overseen by the European Commission, through which we share and develop best practices with other stakeholders.

These actions are taken in collaboration with external partners such as the market surveillance authorities, the rights holders or concerned merchants. The Rights Protection Cooperation Program serves as a fast-tracked and single point of contact for brand owners, NGOs, and market surveillance authorities. Fighting counterfeits, dangerous, and non-compliant products pertains to all products available on the Allegro platforms, regardless of whether they relate to third-party merchants (3P) or Allegro's own shop (1P). Their goal is to protect consumers and ensure product safety.

Allegro Sp z o.o. is a signatory of the Consumer Protection Pledge that sets voluntary commitments for online platforms operating in the EU under which committed to:

- **Product Safety Pledge:** proactively monitor EU alerts on dangerous and recalled products (Safety Gate portal) and local databases. Allegro prevents listings, removes content, and informs consumers on possible risks.
- **Digital Consumer Rights Commitments:** focusing on providing transparency of information and marketing tools, including consumer reviews and influencer marketing. This includes the Product Safety Pledge, which involves proactively monitoring alerts on dangerous and recalled products, ensuring that consumers are informed about potential risks.

Allegro Group also actively and directly cooperates with the market surveillance authorities, local trade and health inspections & regulatory bodies. In 2023 Alegro tightened the cooperation with the Chief Pharmaceutical Inspectorate against sale of medicines by unauthorised entities. One example of this initiative is its collaboration with the Chief Pharmaceutical Inspectorate to prevent the sale of medicines by unauthorized entities. Allegro has implemented a mechanism that actively prevents the listing of medicines. This tool continuously analyzes the offer database and, in the case of detecting a product listed in the Register of Medicinal Products, automatically blocks its listing or removes the offer from the platform.

Last but not least, the Allegro Group runs the Allegro Protect program, which ensures that consumers can buy with confidence and security, knowing they will be protected in the event of any problematic purchase. It covers various situations, from non-delivery to discrepancies in delivered products, ensuring safe and reliable shopping. As part of this program, Allegro resolves 98% of issues reported by customers, which increases their satisfaction and supports the overall perception of online shopping as a safe and reliable option. The program guarantees the return of funds within 48 hours, for two years from the date of purchase with the amount of compensation up to kPLN 20. When regulating product listings, Allegro also pays attention to items that violate ethical and environmental standards.

The Allegro Group considers these actions as part of its daily responsibilities and does not intend to discontinue them.

The Allegro Group removes offers that violate platform rules. In the case of repeated violations, the merchant's account may be blocked. Meanwhile, the Allegro Group helps consumers recover their money under the Allegro Protect program (described above).

In 2024, Allegro Group blocked 122,339,832 attempts to list products that did not meet standards and never reached the consumer. In 2024, the Allegro Group eliminated 240,122 accounts of bad actors from the platform and prevented them from completing the registration process.

The Allegro Group analyzes cases of violations of provisions regarding legal and safe products to reduce the occurrence of such incidents. Specific actions are implemented by the Trust and Safety team, such as blocking the sale of branded offers shipped from outside the EEA, which has reduced such cases.

The aforementioned actions involve monitoring offers, verifying them, and in the event of an incident, removing them from the Allegro platforms. In 2024, 583,016,912 non-compliant and infringing offers were removed from the platforms. The Allegro Group will continue to work on consumer and product safety.

In 2024, the expenditures on product safety allow for the functioning of the team and system, as well as collaboration with partners.

ACCESSIBILITY OF SERVICES AND PRODUCTS

[S4-4]

Allegro Group is committed to making its platforms and services more accessible to everyone. This ambition is about ensuring that all people, regardless of their circumstances, find the Allegro Group's services straightforward and user-friendly. Enhancing the accessibility of the Allegro Group directly aligns with its mission and vision by simplifying shopping for people with special needs, enabling them to complete most of their shopping on a single online platform with convenient delivery. In this way, the Allegro Group aims to increase its actual positive impact, which is the wide access to Allegro services in Poland. A wider and more accessible network of deliveries to APMs is also an opportunity and could result in increased customer base and loyalty.

The design of the automated parcel machines operated by Allegro One Box was carefully developed by the Customer Experience team based on "Internal guidelines on Safety, Accessibility, and Aesthetics of Allegro's One Box Parcel Lockers". Machines have Braille markings and a QR code that allows users to connect online with a Polish Sign Language interpreter.

One Box offers unobstructed access and a wide sidewalk to enable convenient parcel collection for people with disabilities, parents with strollers, and cyclists.They have high-contrast screens, and clear information regarding ease of access. Additionally, a lighting feature has been introduced to help locate the parcel in the machine. Customers can also choose the level of the locker to which their parcel will be delivered so that no one has trouble picking it up.

Most of the One Box parcel machine locations undergo an internal accessibility check to ensure they are fully accessible to people with specific needs, since the Allegro Group wants to sustain the high number of parcel lockers meeting accessibility standards. In 2024 78% Allegro One Box (95% of those subject to audit) met the accessibility requirements.

The Allegro Group will expand its network of parcel machines and focus on accessibility so that even more people have easy access to the low-emission delivery network.

Expenditures related to improving accessibility of Allegro services were connected to increasing the number of accessible parcel machines and optimizing the Allegro platforms for accessibility.

CHARITY AND COMMUNITY INITIATIVES (ENTITY SPECIFIC DISCLOSURES)

IMPACT, RISK AND OPPORTUNITY (IRO)

The Allegro has been active in charity for many years and participating in the foremost charity events has become a permanent part of the organisation's life. As a technology company, Allegro Group supports its stakeholders with technological solutions. That is why Allegro Charytatywni was created. Allegro Charytatywni ensures a stable source of financing for NGOs, which is a key element to continue their development. Through its actions, the Allegro Group exerts a positive actual impact related to involvement in charity and community initiatives.

Policies related to charity

In December 2021, the Allegro Group implemented the Charity, Social and Sponsoring Activities Policy. The Policy confirms that the profile of social, charity and sponsoring activities is determined by Allegro Group's strategy and the decisions of the Board of Directors, subject to benefit analysis and dialogue with stakeholders.

The goals of the Charity, Social and Sponsoring Activities Policy are:

- Identifying obligations of the Allegro Group, its employees, contractors and staff members, in terms of discharging the Allegro Group's obligations pertaining to charitable, social and sponsorship activities.
- Ensuring transparency of expenses made by the Group that are not directly related to its business, by publishing the relevant information annually, which is intended to, among others, confirm the rational management of its assets owned jointly by the shareholders.
- Organising and identifying the overarching goals of charitable, social and sponsorship activities of the Group.
- Ensuring Allegro.eu's and Allegro Foundation's legal compliance and meeting the requirements of the best practices for Warsaw Stock Exchange-listed companies.

- Mitigating risk involved in charitable, social and sponsorship activities.
- Introducing a policy that prohibits any kind of political involvement on the part of the company.

The Policy applies to all Allegro Group employees and the partners of the Allegro Group in charitable and sponsorship activities. According to the Policy, the Allegro Group does not sponsor or make donations to political parties and institutions associated with them or institutions of a similar nature, as well as public officials and politicians. The Allegro Group also does not support trade unions, employer organisations, professional self-governing bodies, or sports clubs established as commercial companies, donations to military organisations or persons, as well as the arms industry.

The profile of social, charity and sponsoring activities supported by the Allegro Group is determined by the Allegro Group's strategy and the decisions of the Board of the Allegro Foundation in cooperation with the Chief Legal Officer, who serves as the President of the Board of Allegro Foundation. The Policy was created based on the best market practices. There was no widespread consultation provided. The Policy is publicly available on the Allegro Group website.

Targets related to charity

The Allegro Group does set measurable goals on Charity. However, the effectiveness of activities related to Allegro Charytatywni can be indicated by the increasing number of NGOs using the platform and money collected. The Allegro Group aims to expand the reach of its impact by increasing the number of NGOs utilizing Allegro Charytatywni, thereby amplifying the positive effects of their initiatives and contributing to a more robust and responsive philanthropic ecosystem.

Actions and resources related to consumers and end-users

Allegro Charytatywni is a dedicated space within Allegro that allows NGOs to raise funds for their social causes by selling products or running charity collections. Any customer can list an item for sale to support a chosen cause, while others can contribute by purchasing these products. The full amount from each sale goes directly to the organization managing the collection. The Allegro Group does not charge any fees or commissions. The Allegro Charytatywni tool ensures a stable source of financing for NGOs, which is a key element to continue their development.

Through Allegro Charytatywni, the Allegro Group facilitates charitable fundraising efforts regardless of the recipient's location as long as, among others, the cause is positively verified by the Allegro Group. Another feature is the "charity bricks" mechanism, prominently displayed during the purchase process. This solution is reserved only for long term partners (WOŚP, Szlachetna Paczka) and initiatives responding to crisis situations.

This feature allows customers to add a donation to their basket, providing direct support to an NGO and a specific fundraising goal. Allegro Charytatywni therefore creates an opportunity to react quickly in emergencies such as natural disasters.

Importantly, any organisation that wants to operate on the platform under a special Charitable Organisation status must undergo the Allegro Group verification in order to receive it. All this aims to ensure the credibility and security of the transaction. Charity offers on the platform are marked with a heart icon and can be found at charytatywni.allegro.pl or use the Allegro Charytatywni filter when shopping on the platform.

The Allegro Group aims to expand the reach of its impact by increasing the number of NGOs utilising Allegro Charytatywni, thereby amplifying the positive effects of their initiatives and contributing to a more robust and responsive philanthropic ecosystem. The Allegro Group strives to simplify processes for NGOs, providing them with the necessary tools and support to operate efficiently by preparing training and co-organising events such as: Non-Governmental Second Breakfast or Philanthropy Summit Poland.

Allegro Charytatywni does not have a specified project end date. It will be carried out as long as it fulfills its purpose and brings benefits to stakeholders.

In 2024, 488 non-governmental organisations were active on Allegro Charytatywni, presenting 1,015,204 charity offers. Thanks to these activities, non-governmental organisations in 2024 were able to collect nearly mPLN 59 (mEUR 14).

Charity and community initiatives

Allegro Group	2024
Number of active non governmental organizations	488
Number of charity offers	1,015,204
Amount of money collected (in mPLN)	59

2.4
Governance information

G1 BUSINESS CONDUCT

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

[GOV-1]

Overseeing the strategic direction, ensuring transparency and accountability in financial reporting as well as with evaluating performance is the task of the Board of Directors. Full information on the Board of Directors composition can be found in the Management Review, in chapter III.

At the end of 2024, the Board of Directors at Allegro.eu comprised 2 executive Directors (the CEO and CFO) and 8 non-executive Directors. The Board of Directors comprises individuals with extensive experience in leading and transforming international businesses, particularly in e-commerce, retail, and technology sectors. They bring a wealth of expertise in executive leadership, finance, digital transformation, and investment management, having held senior roles in various global companies. Their collective experience ensures governance and strategic oversight for the Allegro Group.

More information on expertise in ESG and climate-related areas among members of the Board of Directors can be found in the Management Review, in chapter III.

Material impacts, risks and opportunities (IRO)
[IRO-1]

The double materiality analysis at the Allegro Group involves assessing the impact and financial materiality of issues related to business conduct matters.

The process includes identifying and evaluating the significance of impacts, risks and opportunities, considering the magnitude and probability of potential financial impact in the short, medium, and long term.

Impacts, risk, and opportunities were analyzed for marketplace (3P) and e-commerce sales in own shop (1P) related activities in Poland, the Czech Republic, Slovakia, Hungary, Slovenia and Croatia.

The Board of Directors approved the IRO analysis, which was the final step in the process. The entire double materiality analysis process is described in section the chapter General information.

Impacts, risks and opportunities related to business conduct matters, concerns mostly aspects connecting to the All4Prosperity pillar in the Allegro Group ESG strategy. It concerns three areas:

- Corporate governance transparency;
- Suppliers' relations;
- Merchants' value creation (Allegro Group's specific stakeholder).

Material impacts, risks and opportunities (IRO) for Governance

Material topic	Type of material IRO	Material IRO	Value chain part
Corporate governance transparency	Risk	Environmental actions may be considered "greenwashing" despite the positive intentions and best efforts	Own operations, downstream
Suppliers' relations	Positive actual impact	Careful selection of suppliers based on their reliability and compliance with regulations positively impacts the market and working conditions in the supply chain	Upstream
Merchants' value creation	Risk	Merchants may encounter difficulties in fully adhering to Allegro Group ESG principles	Upstream
	Positive actual impact	Providing merchants with services that can scale up their business like Allegro One Fulfillment, providing with sustainable materials, advanced analytics and education in ESG or market trends	Upstream

During the double materiality analysis process, a significant risk was identified, stating that "Environmental actions may be considered 'greenwashing' despite the positive intentions and best efforts". The risk refers to situations where the Allegro Group's actions are misinterpreted or communicated not clearly enough. It is mitigated by identifying areas where actions may be misinterpreted by stakeholders. To mitigate this risk, the Allegro Group emphasizes transparent communication with its stakeholders. The Group adopted Good practices in green / sustainability / ESG / CSR marketing and communication at the Allegro Group, which support employees in creating environmental narration in a responsible way. This document is publicly available. Moreover, the Allegro Group is also fully engaged in monitoring of new EU regulations – Green Claims and Empowering Consumers directive. This approach helps avoid the risk of reputational damage, which could lead to a decrease in the number of customers and lower revenues for the Group.

The Allegro Group recognises also a risk that merchants, who are mostly small and medium enterprises may not adhere to ESG principles, as they may not be aware of its importance and not have capacity to manage these issues. Therefore, the Allegro Group

takes actions to support merchants in adapting to these requirements. Support is provided through training and advisory programs.

The Allegro Group's influence extends beyond merchants to all entities in the value chain, as the Allegro Group also educates other partners on best ESG practices to increase their awareness and compliance with sustainability requirements.

Another positive actual impact comes from the fact that the Allegro Group prioritizes ethical and social aspects of cooperation with suppliers, extending its corporate culture to other entities in the value chain. This is achieved by expecting implementation of many of the corporate governance principles and practices that apply throughout the Group to its stakeholders. For business partners and suppliers it is done through Code of Conduct for Suppliers and Business Partners which is publicly available. The principles within the Suppliers Code of Conduct cover a range of areas, including human rights, labour standards, environmental protection, and compliance with legal regulations. The Allegro Group requires partners to always respect these standards and comply with any requests for audits or surveys.

The activities presented are put into practice on a daily basis by means of three important tools for building organisational culture: the Code of Ethics and Conduct (a set of policies that determines Allegro's ethical standards and aims to ensure the Allegro Group's compliance with laws), the Code of Conduct for Suppliers and Business Partners and The Allegro Way (a set of desired behaviors we believe is essential to build a strong, common culture across the whole the Allegro Group).

Business conduct policies and corporate culture
[G1-1]

All of Allegro Group's policies that shape the corporate culture extends to operations as well as to all employees and entities with which the Allegro Group works on a daily basis. To facilitate implementation of its policies, the Allegro Group introduced a governance, risk and compliance management system. These policies address standards of conduct, corruption prevention, competition law compliance, prevention of conflicts of interest, information and data protection, prevention of unlawful discrimination (grounds for discrimination are covered in policy and include gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation, employment for a fixed or indefinite period, full-time or part-time employment) and protection of Allegro Group property and apply to all entities. Due to the nature of the policies, they apply to employees, contractors and, in cases specified within the policies, to entities in the value chain (upstream or downstream).

Guidelines covering procurement policy, tender procedure, controlling procedure and legal procedure have also been introduced to minimise all unauthorised practices, violations of the law, bribery, corruption and fraud, especially with regard to purchasing practices or other adverse consequences of non-compliance within the Allegro Group.

The Allegro Group operates transparently and is diligent in keeping with ethical standards and due diligence as detailed in its policies and regulations consisting of the following areas:

- Business Continuity Management;
- Charity, social and sponsoring activities policy;
- Climate and Environment Policy;
- Circularity and Waste Policy;
- Code of Conduct for Suppliers and Business Partners;
- Competition and Consumer Protection Compliance Policy;
- Dealing Code;
- Dealing Procedures Manual;
- Disclosure Procedures Policy;
- Diversity Policy;
- Human Rights Policy;
- Good practices in green / sustainability / ESG / CSR marketing and communication at Allegro;
- Privacy Policy;
- Insider dealing and market abuse policy;
- Personal Data policies and procedures (including several privacy policies for employees, customers, partners, etc.);
- Policy of counteracting undesirable phenomena such as discrimination, harassment, bullying and violence;

- Procurement policy;
- Anti-money laundering and combating the financing of terrorism policy and guidelines on export control and financial sanctions;
- Policy on preparation and maintenance of insider lists;
- Risk Management Policy;
- Security Policy;
- Transparency (Anti-Corruption Policy) (including gifts and benefit regulations, conflict of interest regulations, etc.);
- Whistleblowing procedure;
- Sustainability Reporting Policy.

undertake actions to enhance its significant positive impact. The principles derived from these policies are particularly important in the context of conducting business.

The Allegro Group requires its business partners to act ethically and in compliance with the law. In the event of a confirmed violation of the Code of Conduct, it collaborates with the business partner to establish a corrective action plan to remedy the negative effects of the violation. In the context of its own operations, the Allegro Group has implemented principles regarding responsible communication and marketing practices to mitigate the risk that the actions of the Allegro Group will be perceived as greenwashing.

Additionally, business partners are supported in adhering to ESG standards. The Allegro Group provides them with tools and services to help them comply with sustainability requirements. This way, the Allegro Group reduces the risk that suppliers will encounter difficulties in fully adhering to ESG principles.

The Allegro Group has policies aimed at managing significant risks that concern the Allegro Group. Through these policies, the organization can also

Policies

Area	Material IRO	Corresponding policy
Corporate Governance	Environmental actions may be considered "greenwashing" despite the positive intentions and best efforts	Good practices in green / sustainability / ESG / CSR marketing and communication at Allegro
Suppliers relations	Careful selection of suppliers based on their reliability and compliance with regulations positively impacts the market and working conditions in the supply chain	Code of Conduct for Suppliers and Business Partners Procurement Policy
Merchants' value creation	Merchants may encounter difficulties in fully adhering to the Allegro Group ESG principles	Terms & Conditions for merchants
	Providing merchants with services that can scale up their business like Allegro One Fulfillment, providing with sustainable materials, advanced analytics and education in ESG or market trends	The positive actual impact is a result of delivering strategy based on the Allegro Group's mission and vision. Commercial offer for merchants

All above Policies are reviewed and approved by the Board of Directors at least once a year and are available to all employees. Additionally, key documents are available publicly on the Allegro Group's website. The implemented policies and procedures aim to ensure that all employees operate within the law and stay abreast of all relevant changes and industry regulations. Services, policies and processes are updated accordingly.

Code of Ethics and Conduct and adherence to rules are key to maintaining a corporate culture. For this reason, the Allegro Group has a whistleblowing system. It guarantees confidentiality and safety of the whistleblowers, including protection from retaliation. The system is open and accessible to everyone (notifications can also be submitted anonymously via a special form available online which also facilitates anonymous discussion with whistleblowers).

In addition to this, the organisation has established multiple channels, both internal and external, to address the concerns and needs of our employees, which include direct contact with the CSO, Employees Relationship Manager or Risk and Compliance Manager, and in matters of submissions concerning the CSO, Risk and Compliance Manager or Member of the Management Board of the Allegro Group to which the submission relates – the Allegro.eu Chairman. This system follows the guidelines for reviewing complaints and grievances regarding violations outlined in the Whistleblowing Procedure. The employee training program includes information on how to report irregularities and the Whistleblowing Procedure.

The whistleblowing system developed by the Allegro Group, provide multichannels option to submit reports. The main channel promoted by the Allegro Group is a dedicated system <https://whistleblowing.allegrogroup.com> which allows access internally and externally including anonymous communication with signalists. Beside this system employees can write to a dedicated alias or report irregularities personally to CSO, Employees Relationships Manager or Risk and Compliance Manager, depending on subject. Regardless of the reporting path chosen by the whistleblower, the Allegro Group ensures full confidentiality and that the case will be analyzed. For issues requiring escalation or involving legal breaches, reports can also be directed externally to public

authorities or EU institutions. The Allegro Group has implemented technical and organisational measures to protect the identity and personal data of reporting persons against unauthorised access, ensuring confidentiality. The whistleblowing system takes into account the regulations and complies with the provisions implementing the directive on reporting violations and protecting whistleblowers. Moreover, a precise procedure for tracking and monitoring reports has been established, where each report is meticulously logged on the platform and annotated in detail if it originates from a face-to-face meeting. Reporting persons receive a unique code to track their report's progress and outcomes, promoting transparency and accountability.

Importantly, the Whistleblowing Procedure protects the personal data of reporting persons and prohibits any form of retaliation against them for reporting breaches of law in good faith, ensuring legal protection and fair treatment. The protection granted under the Whistleblowing Procedure also applies to persons assisting in making a report, third parties associated with the whistleblower, legal persons, and organizational units assisting or associated with the whistleblower. In addition, to maintain full protection, reports submitted via the platform for reporting irregularities may be submitted anonymously. The personal data of the person making the report, the personal data of the person concerned by the report, as well as the personal data of persons assisting in making the report, witnesses, and experts are subject to legal protection in accordance with the provisions on the protection of personal data and the act on the protection of persons reporting violations of the law. The Procedure implements Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law.

The Allegro Group treats all incoming reports relating to business conduct incidents very seriously. According to the Whistleblowing Procedure, they are verified by the CSO, Risk and Compliance Manager or Chairman Allegro.eu in specific cases mentioned in the Whistleblowing Procedure. Upon receiving the report, a preliminary verification shall be carried out immediately, but no later than 3 days from the date of receipt of the report. If the enquiry is justified, an internal investigation carried out by the Ethics

Committee shall be initiated. Additionally, a summary is presented quarterly to the AuditCo and the ESGCo (formerly, before a separate Committee was appointed to the RemNomESGCo). The appointed composition of the Ethics Committee should ensure the competence, independence, objectivity and professionalism appropriate to the particular report.

Once a year, the Allegro Group's employees participate in training on policies covered by the Code of Ethics and Conduct (Whistleblowing Procedure, Occupational Health and Safety, Human Rights Policy, Diversity Policy, Policy of Counteracting Undesirable Phenomena such as Discrimination, Harassment, Bullying and Violence, Climate and Environment Policy, Circularity and Waste Policy, Charitable, Social and Sponsorship Activities Policy, Transparency (Anti-Corruption) Policy, Competition and Consumer Protection Law Compliance Policy, Anti-Money Laundering and Combating the Financing of Terrorism Policy and Guidelines on Export Control and Financial Sanctions, Insider Dealing and Market Abuse Policy, Instructions on Procedures for Securities Transactions, Security Policy, Privacy and Processing of Personal Data, Risk Management and

Business Continuity policy, Policy on Drawing up and Maintaining a List of Persons Having Access to Confidential Information) in order to improve their knowledge, build competence and raise awareness. All employees are obliged to familiarise themselves with the documents and pass the test. Additionally new employees take part in the Code of Ethics and Conduct training during the onboarding session.

The Allegro Group believes that every person is equally exposed to corruption or bribery so everyone is trained in a similar way.

Regards policies on animal welfare, Allegro's Terms and Conditions for merchants include rules on maintaining animal welfare as well as information on permitted products and services for sale. The sale of living animals is prohibited in the Czech Republic, Slovakia and Hungary. Where the sale of living animals is allowed, it is possible only under certain conditions which ensure their welfare, described in the Terms and Conditions. The sale of live or dead protected animals (as well as their parts or derivatives) is prohibited.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

[G1-2]

Suppliers are selected in accordance with the Allegro Group Procurement Policy. Based on the Policy, the selected bid/supplier must always reflect the economically and business best offer based on transparent selection criteria. According to the Code of Conduct for Suppliers and Business Partners, the Allegro Group treats its suppliers fairly, and wants them to respect principles that are similar to its own. All suppliers with a contract value exceeding PLN 15,000 are provided with information regarding the Suppliers' Code of Conduct. It is distributed jointly with the statement on the legality of goods and services. The Allegro Group also has a digital form to archive information when partners review these documents and accept them. If the total annual contract value with a supplier exceeds PLN 500,000, the supplier is asked to sign the Code of Conduct

for Suppliers and Business Partners and fill the Questionnaire on Sustainability Practices.

In line with internal Procurement Policy, we also check if key projects (where the total annual contract value exceeds the established threshold, which in 2024 was PLN 100,000) are in line with ESG objectives. The ESG department assesses the impact of the project on achieving the ESG goal. If there is an impact, the ESG department describes the impact and presents its recommendation on the assessed project.

Careful selection of suppliers based on their reliability and compliance with regulations positively impacts the market and working conditions in the supply chain. The Allegro Group developed The Code

of Conduct for Suppliers and Business Partners, which details the basic expectations for corporate social responsibility that the Group's entities have toward its business partners, reflects:

- 10 principles of the United Nations Global Compact;
- UN Guiding Principles on Business and Human Rights;
- Declaration of Fundamental Principles and Rights of Labor of the International Labor Organization;
- OECD Guidelines for Multinational Enterprises;
- Regulations governing the use of conflict minerals and the OECD Due Diligence Guidelines for responsible supply chains of minerals from conflict-affected and high-risk areas.

Business partners of the Group's entities are obliged to respect these guidelines, which comply with the principles of law, conventions and other regulations in relation to:

- Legal regulations;
- Human rights;
- Standard and conditions of work;
- Protection of the natural environment.

Violation of the provisions of this Code of Conduct is considered a material breach of the cooperation with the supplier or business partner. If a violation of the Code is confirmed, the plan of mitigation and remediation actions is established in cooperation between the Allegro Group and the business partner. In justified cases, the Allegro Group reserves the right to suspend business operations until the non-compliance is removed or, in extreme cases, to halt cooperation if the business partner deems it impossible to apply the provisions of the Code.

Business partners, in the process of the cooperation, are obliged, at the request of the Allegro Group, to: (i) provide important information about their suppliers and business partners which may affect the implementation of the contract between the parties

and which result from applicable legal provisions and good business practices, and (ii) cooperate with the Allegro Group in the due diligence process in the supply chain through activities such as audits and surveys. Business partners are obliged to ensure that the principles arising from this Code are communicated to their employees and their own suppliers and expect them to comply with the standard described therein.

Specific obligations in relation to each of 4 aforementioned areas are provided in the Code of Conduct for Suppliers and Business under respective topics.

In accordance with the recommendations formulated by the Polish Ministry of Finance, the Allegro Group has also established a comprehensive verification process for suppliers. Financial documents, company registration documents and bank accounts are reviewed to reject unreliable service providers. The Allegro Group has also implemented Procurement Policy, tendering procedures, controlling procedures and legal procedures to mitigate any unlawful practices, violations of law, corruption and fraud as well as other adverse consequences of non-compliance within the Allegro Group. In addition, all procurement processes at the Allegro Group are administered through integrated IT systems to ensure full compliance with the procedures in a transparent manner.

[G1-2]

Additionally the Allegro Group makes efforts to avoid payment backlogs in accordance with internal procedures. In 2024 additional efforts have been made to raise staff awareness of the issue of late payment. There were procedures put in place to ensure that payments are made on time. A standard payment deadline of 30 days has been set, from which deviations are possible only in exceptional situations. Employees are also obliged to prepare each payment in the internal system to be sure that invoice will be paid fast and without any delay. There is no specific payment term for SME's (businesses with a small number of employees and modest revenues, typically with fewer than 250 employees and an annual turnover of up to mEUR 50), albeit in communication to employees, particular attention was paid to this kind of suppliers and in special cases, it is possible to shorten the deadline to ensure the supplier's liquidity. Activities are continuously carried out each year to reduce payment delays.

MERCHANTS' VALUE CREATION (ENTITY SPECIFIC DISCLOSURE)

Creating a professional selling space for merchants and brands to drive their local and pan-European business is at the heart of the Allegro Group platforms. The Allegro Group aims to ensure profitable growth for them while delivering convenience at every step. By focusing on these key aspects, the Allegro Group is building prosperity for the entities in its value chain. The goal is to have 177 thousand merchants with offers on the Allegro Group platforms by 2026.

The goal pertains to entities within the upstream value chain that operate in countries where the Allegro Group platforms function. In 2023, there were 149.6 thousand merchants on the Allegro Group platforms. In 2024, that number increased by 12% to 167 thousand.

Merchants with offer

Number of merchants with offer ('000)	2024	2023	% change 2024/2023
Allegro Group	167.0	149.6	+12%

ACCOUNTING PRINCIPLES

Data on active merchants pertains to verified merchants who have listed an offer on the platform within the last 12 months. This count is based on unique Tax Identification Numbers. Allegro Lokalnie is not included in the statistics.

The Allegro Group has not changed its goal since it was set. Progress towards achieving the goal is monitored quarterly, and in line with the objective, the number of merchants increases each year. Target was set based on the stakeholder analysis

and research among employees, merchants and customers. The final goal was developed by the operation team, business owner, business sponsor and approved by the Board of Directors.

[G1-2]
The Allegro Group is committed to supporting merchants at every stage of their development and in nearly every aspect of their business. Through services and partnerships with other companies, the Allegro Group provides a comprehensive range of tools and resources designed to empower and enhance the success of merchants. This is associated with a significant impact, which is providing merchants with services that can scale up their business, such as Allegro One Fulfillment, sustainable materials, advanced analytics, and education in ESG or market trends. Supporting merchants in running their businesses also helps reduce the risk of difficulties in fully adhering to the Allegro Group ESG principles.

The Allegro Group boosts merchant sales through loyalty program Allegro SMART!, enhancing customer retention and satisfaction. One of Allegro's key offerings is the Allegro Fulfilment service, a comprehensive logistics solution for merchants that includes storing, packaging, and shipping orders, as well as providing customer service throughout the delivery process.

The service is designed to reduce delivery times, allow consolidation of baskets from all the merchants who use One Fulfilment by Allegro, provide customer service, and reduce the environmental impact by utilizing eco-friendly packaging materials.

Furthermore, the Allegro Group has introduced the Allegro Merchant Finance program, offering a revolving credit limit of up to PLN 150,000 for businesses. This program is useful for managing inventory-related funds, as it allows companies to access capital as if their products had already been sold. The Allegro Group offers a set of tools and services that ensure the sales process is not only streamlined but also more cost-effective and convenient, allowing merchants to grow in the dynamic world of e-commerce both locally and across Europe. With an advanced interface featuring automatic translations and a price converter, the Allegro Group facilitates seamless cross-border operations for merchants, further supported by cost-effective and efficient logistics solutions. This includes assistance in key areas such as translations, pricing in local currency, managing foreign deliveries, and complying with local legal requirements in various countries. These activities are carried out continuously, and the Allegro Group has no plans to discontinue them.

Additionally, the Allegro Group places a strong emphasis on educating merchants to help them develop their businesses online. The Allegro Academy offers a wide range of free online courses, webinars, and podcasts aimed mainly at merchants. These resources are designed to help users better understand e-commerce and utilize Allegro's platforms to its full potential, covering a diverse range of topics from online analytics and sustainable packaging to professional communication in business.

Allegro Academy	Allegro Group
Unique users participate in the Allegro Academy's e-learning platform	72,264
Participants of Allegro Academy's webinars	81,761
Number of users with at least one PageView of Academy page	185,127

 ACCOUNTING PRINCIPLES

The data in the table above comes from the statistics of the e-learning platform. Users with at least one page view of the platform include both new and returning users who have accessed the site. In contrast, unique users are those who have used the platform over a specified period, regardless of the number of visits to the platform, and who have a unique ID on the platform. This method of counting reduces the possibility of double-counting the same user accessing the platform within a given timeframe.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

[G1-3]

The Allegro Group places particular emphasis on preventing incidents of corruption or bribery. Therefore, the Allegro Group enforces the Transparency (Anti-Corruption) Policy. The Policy covers all areas of the Allegro Group's activities and applies to both companies within the Group and its business partners. The implementation of the Policy aims to prevent any breaches of applicable legal regulations or ethical principles by the Allegro Group or individuals acting on their behalf. The Transparency (Anti-Corruption) Policy is compliant with the Polish Penal Code, the Fiscal Penal Code, the Commercial Companies Code, and the Act on the Liability of Collective Entities for Prohibited Acts under Threat of Penalty. The Policy also refers to the American Foreign Corrupt Practices Act and the British Bribery Act, indicating that it aligns with the provisions and objectives of the United Nations Convention against Corruption.

The Transparency (Anti-Corruption) Policy (including gifts and benefit regulations, conflict of interest regulations, etc.) is available to all stakeholders on the Allegro Group website. Employees and business partners are informed about the provisions of this Policy.

No individual or entity shall make or accept any bribe or promise of a bribe, whether directly or indirectly, and must avoid any situation that might create the appearance of such circumstances. Additionally, individuals and entities must avoid situations that would result in a conflict of interest.

Prior to entering into any business agreement, a proper and documented verification of the commercial partner's history, business potential, and reputation must be conducted. Special attention is paid to any information concerning the potential partner's involvement in bribery or corruption activities. Any doubts or suspicions regarding the commercial partner must be promptly reported in accordance with the Whistleblowing Procedure.

All employees of the Allegro Group are required to read and comply with the Transparency (Anti-Corruption) Policy (including gifts and benefit regulations, conflict of interest regulations, etc.). Regular training sessions on the Allegro Group's anti-corruption standards are conducted, supervised by the CSO.

The CSO, along with the Information Security team, Risk and Compliance team, and the Loss Prevention team (depending on the area) with Legal department and People and Culture department support, is responsible for conducting investigations into any irregularities related to anti-corruption laws or the Transparency (Anti-Corruption) Policy (including gifts and benefit regulations, conflict of interest regulations, etc.). If team members are involved in a case they do not participate in the investigation.

In cases of suspected corruption offences or serious violations of the Policy, the CSO informs the Board of Directors and the Audit Committee of the Allegro Group. The next steps are then decided, depending on the type of situation. The Board of Directors remains involved in clarifying the matter until the conclusion of the proceedings and is kept informed about its progress and outcomes.

To prevent instances of corruption, the Allegro Group employees undergo annual training related to corruption, which is part of a larger training program concluded by a test, which the employee must pass. The training on the Transparency (Anti-Corruption) Policy includes information such as:

- What constitutes bribery (i.e., bribing a public official, business corruption, kickbacks, extortions and protection payments, cyber extortion);
- The rules regarding acceptance and giving of benefits;
- What constitutes conflict of interest;
- The rules regarding trade secrets;
- Liability for violations of the Transparency (Anti-Corruption) Policy.

In the Allegro Group there is no distinction between functions-at-risk to corruption that would be covered by specific training programmes, that is why all employees of the Allegro Group must undergo the anti-corruption training session, which is a part of the Code of Conduct training. This training is

conducted immediately upon the commencement of one's employment by the Allegro Group and at least once a year during the term of one's employment. The Board of Directors familiarizes themselves with the policy once a year during the revision and approval process.

INCIDENTS OF CORRUPTION OR BRIBERY

[G1-4]

In 2024, no court imposed any convictions and fines on the Allegro Group on the grounds of corruption or bribery. In fact, no such proceedings were conducted.

There were also no actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.

PAYMENT PRACTICES

[G1-6]

A record is kept of the average time required for the Allegro Group to pay an invoice. The average time is 23 days. The Allegro Group does not differentiate its payment practices between large companies and small and medium-sized enterprises (SME – businesses with a small number of employees and modest revenues, typically with fewer than 250 employees and an annual turnover of up to mEUR 50).

A standard payment deadline of 30 days has been set, from which deviations are possible in exceptional situations. 83% of all payments are made within the designated term. In case of doubts related to the re-invoicing of services for the Allegro Group, payment is withheld until the matter is resolved. This practice is outlined in the agreement that the contractor agrees to.

The longer payment terms for invoices are also due to formal deficiencies. The lack of a document confirming the placement of an order for specific

goods or services from the entity issuing the invoice contributes to the extended time needed for the Allegro Group to pay the invoice. There are also cases where the internal invoice circulation process is prolonged, resulting in delayed settlement of receivables.

In 2024, the Allegro Group implemented a "No PO no PAY" policy to both expedite and reduce the number of invoices paid late. Allegro Group suppliers are informed of the necessity to include PO numbers on invoices, which accelerates payment to them.

The Allegro Group is committed to timely invoice settlements, as this minimizes potential adjustments in VAT settlements, the possibility of penalties, and the loss of trust among business partners and investors.

In 2024, there were no concluded or ongoing proceedings related to late payments delays against the Allegro Group.

2.5.
Appendices

LIST OF MATERIAL DISCLOSURE REQUIREMENTS

[IRO-2]

The following index includes all ESRS disclosure requirements in ESRS 2 and the material topical standards that guided the preparation of our Sustainability Statement. This index helps navigate spe-

cific disclosure requirements within the statement and indicates where incorporation by reference is used for requirements and/or data points addressed outside the statement.

Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
ESRS2	BP-1	General basis for preparation of Sustainability Statement		SDG 5, 8, 12, 17	211
ESRS2	BP-2	Disclosures in relation to specific circumstances			212
ESRS2	GOV-1	The role of the administrative, management and supervisory bodies	1. Governance Disclosure a) Disclosure b)		216, 231, 320
ESRS2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1. Governance Disclosure a) Disclosure b)		231
ESRS2	GOV-3	Integration of sustainability-related performance in incentive schemes	4. Metrics and targets Disclosure a)		231, 242
ESRS2	GOV-4	Statement on due diligence			232
ESRS2	GOV-5	Risk management and internal controls over sustainability reporting	1. Governance Disclosure a) Disclosure b) 3. Risk management Disclosure c)		233
ESRS2	SBM-1	Strategy, business model and value chain	2. Strategy Disclosure b)		214, 216, 218
ESRS2	SBM-2	Interests and views of stakeholders			218, 286
ESRS2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2. Strategy Disclosure a) Disclosure b) Disclosure c)		216, 224, 234, 286, 305

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Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
ESRS2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	2. Strategy Disclosure a) Disclosure b) Disclosure c) 3. Risk management Disclosure a) Disclosure c)	SDG 5, 8, 12, 17	221, 256, 320
ESRS2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement			213, 331
E1	1-1	Transition plan for climate change mitigation	2. Strategy Disclosure b) 3. Risk management Disclosure b)	SDG 7, 13, 17	241
E1	1-2	Policies related to climate change mitigation and adaptation	2. Strategy Disclosure b) 3. Risk management Disclosure b)		243
E1	1-3	Actions and resources in relation to climate change policies	2. Strategy Disclosure b) 3. Risk management Disclosure b) 4. Metrics and targets Disclosure c)		246
E1	1-4	Targets related to climate change mitigation and adaptation	2. Strategy Disclosure b) 4 Metrics and targets Disclosure c)		244
E1	1-5	Energy consumption and mix	4 Metrics and targets Disclosure a)		248
E1	1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	4. Metrics and targets Disclosure a) Disclosure b)		250
E1	1-7	GHG removals and GHG mitigation projects financed through carbon credits			Non material
E1	1-8	Internal carbon pricing			Non material
E1	1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities			Phase in
E2	2-1	Policies related to pollution			Non material

Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
E2	2-2	Actions and resources related to pollution			Non material
E2	2-3	Targets related to pollution			Non material
E2	2-4	Pollution of air, water and soil			Non material
E2	2-4	Substances of concern and substances of very high concern.			Non material
E2	2-5	Anticipated financial effects from pollution-related impacts, risks and opportunities.			Non material
E3	3-1	Policies related to water and marine resources			Non material
E3	3-2	Actions and resources related to water and marine resources.			Non material
E3	3-3	Targets related to water and marine resources			Non material
E3	3-4	Water consumption			Non material
E3	3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities			Non material
E4	4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model			Non material
E4	4-2	Policies related to biodiversity and ecosystems			Non material
E4	4-3	Actions and resources related to biodiversity and ecosystems			Non material
E4	4-4	Targets related to biodiversity and ecosystems			Non material
E4	4-5	Impact metrics related to biodiversity and ecosystems change			Non material
E4	4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities			Non material
E5	5-1	Policies related to resource use and circular economy		SDG 9, 12, 14, 15	258
E5	5-2	Actions and resources related to resource use and circular economy			262
E5	5-3	Targets related to resource use and circular economy			260
E5	5-4	Resource inflows			264
E5	5-5	Resource outflows			265

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Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
E5	5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		SDG 9, 12, 14, 15	Phase in
S1	1-1	Policies related to own workforce		SDG 3, 5, 8, 10	288
S1	1-2	Processes for engaging with own workers and workers' representatives about impacts			292
S1	1-3	Processes to remediate negative impacts and channels for own workers to raise concerns			293
S1	1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions			294
S1	1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			291
S1	1-6	Characteristics of the undertaking's employees			296
S1	1-7	Characteristics of non-employee workers in the undertaking's own workforce			298
S1	1-8	Collective bargaining coverage and social dialogue			304
S1	1-9	Diversity metrics			298
S1	1-10	Adequate wages			302
S1	1-11	Social protection			Non material
S1	1-12	Persons with disabilities			300
S1	1-13	Training and skills development metrics			300
S1	1-14	Health and safety metrics			302
S1	1-15	Work-life balance metrics			Non material
S1	1-16	Compensation metrics (pay gap and total compensation)			303
S1	1-17	Incidents, complaints and severe human rights impacts			304
S2	2-1	Policies related to value chain workers			Non material
S2	2-2	Processes for engaging with value chain workers about impacts			Non material

Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
S2	2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns			Non material
S2	2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action			Non material
S2	2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			Non material
S3	3-1	Policies related to affected communities			Non material
S3	3-2	Processes for engaging with affected communities about impacts			Non material
S3	3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns			Non material
S3	3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions			Non material
S3	3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunitie			Non material
S4	4-1	Policies related to consumers and end-users		SDG 3, 12	307
S4	4-2	Processes for engaging with consumers and end-users about impacts			312, 315
S4	4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns			312, 315
S4	4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions			313, 315, 317
S4	4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			311
G1	1-1	Corporate culture and business conduct policies and corporate culture		SDG 5, 8, 10, 12, 16	322
G1	1-2	Management of relationships with suppliers			325

Index of material ESRS disclosures

ESRS	DR	Description of ESRS Disclosure requirement	TCFD Disclosure requirement	SDGs	Page
G1	1-3	Prevention and detection of corruption and bribery		SDG 5, 8, 10, 12, 16	329
G1	1-4	Confirmed incidents of corruption or bribery			330
G1	1-5	Political influence and lobbying activities			Non material
G1	1-6	Payment practices			330
Entity specific		Charity		SGD 4	318

DISCLOSURE REQUIREMENTS THAT DERIVE FROM OTHER EU LEGISLATION

The table below provides an overview of ESRS data points that derive from other EU legislation and where this information can be found if deemed material.

Disclosure requirement	Datapoint		Legislation	Page
ESRS2 GOV-1	21d	Board's gender diversity	SFDR, BRR	Chapter III.3, 320
	21e	Percentage of board members who are independent	BRR	Chapter III.3
ESRS2 GOV-4	30	Statement on due diligence	SFDR	232
ESRS2 SBM-1	40d i	Involvement in activities related to fossil fuel activities	SFDR, Pillar 3, BRR	214
	40d ii	Involvement in activities related to chemical production	SFDR, BRR	214
	40d iii	Involvement in activities related to controversial weapons	SFDR, BRR	214
	40d iv	Involvement in activities related to cultivation and production of tobacco	BRR	214
E1-1	14	Transition plan to reach climate neutrality by 2050	Regulation (EU) 2021/1119 Article 2(1)	241
E1-1	16g	Undertakings excluded from Paris-aligned benchmarks	Pillar 3, BRR	241

Disclosure requirement	Datapoint		Legislation	Page
E1-4	34	GHG emission reduction targets	SFDR, Pillar 3, BRR	244
E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	248
E1-5	37	Energy consumption and mix	SFDR	248
E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	248
E1-6	44	Gross Scope 1, 2, 3, and total GHG emissions	SFDR, Pillar 3, BRR	250
E1-6	53-55	Gross GHG emissions intensity	SFDR Pillar 3, BRR	250
E5-5	37d	Non-recycled waste	SFDR	266
E5-5	39	Hazardous waste and radioactive waste	SFDR	266
S1	14f	Risk of incidents of forced labour	SFDR	287
S1	14g	Risk of incidents of child labour	SFDR	287
S1-1	20	Human rights policy commitments	SFDR	288
S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	288
S1-1	22	Processes and measures for preventing trafficking in human beings	SFDR	288
S1-1	23	Workplace accident prevention policy or management system	SFDR	288
S1-3	32c	Grievance/complaints-handling mechanisms	SFDR	293
S1-14	88b-88c	Number of fatalities and number and rate of work-related accidents	SFDR, BRR	302
S1-14	88e	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	302
S1-16	97a	Unadjusted gender pay gap	SFDR, BRR	303
S1-16	97b	Excessive CEO pay ratio	SFDR	303
S1-17	103a	Incidents of discrimination	SFDR	304
S1-17	104a	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR, BRR	304
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, BRR	307
G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	SFDR, BRR	330
G1-4	24b	Standards of anti-corruption and anti-bribery	SFDR	330

This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.



2.6 Independent Auditor’s Limited Assurance

Independent Practitioner’s Limited Assurance Report on Allegro.eu Sustainability Statement

To the Board of Directors of Allegro.eu

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the sustainability statement of Allegro.eu (“the Company”) and its subsidiaries (together “the Group”), included in section IV.3 Sustainability Statement of the Management Report (the “Group Sustainability Statement”), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with articles 29(a) of the EU Directive 2013/34/EU (the “Directive”) including:

- compliance with the European Sustainability Reporting Standards (“ESRS”), including that the process carried out by the Group to identify the information reported in the Group Sustainability Statement (the “Process”) is in accordance with the description set out in note IRO-1;
- compliance of the disclosures in subsection The EU Taxonomy Disclosures within the environmental section of the Group Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Basis for Limited Assurance Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000 (Revised)”), issued by the International Auditing and Assurance Standards Board (“IAASB”) as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises (“IRE”).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Responsibility of the “Réviseur d’entreprises agréé” section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (“CSSF”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Our firm applies International Standard on Quality Management (“ISQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, as adopted for Luxembourg by the CSSF, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors for the Group Sustainability Statement

The Board of Directors of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Group Sustainability Statement in accordance with the ESRS and for disclosing this Process in note IRO-1 of the Group Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors of the Company is further responsible for the preparation of the Group Sustainability Statement, in accordance with the article 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection The EU Taxonomy Disclosures within the environmental section of the Group Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852;
- designing, implementing and maintaining such internal control that Board of Directors determines is necessary to enable the preparation of the Group Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group’s sustainability reporting process.

Inherent limitations in preparing the Group Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors of the Company is required to prepare the forward looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Group Sustainability Statement, the Board of Directors of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

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Responsibility of the “Réviseur d'entreprises agréé”

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Group Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Group Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Group Sustainability Statement, in relation to the Process, include:

- performing procedures, including obtaining an understanding of internal control relevant to the engagement, to identify risks that the process to identify the information reported in the Group Sustainability Statement does not address the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- designing and performing procedures to evaluate whether the process to identify the information reported in the Group Sustainability Statement is consistent with the Group’s description of its Process as disclosed in note IRO-1.

Our other responsibilities in respect of the Group Sustainability Statement include:

- performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, identifying where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group’s internal control;
- designing and performing procedures responsive to where material misstatements are likely to arise in the Group Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Group Sustainability Statement. The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including identification of disclosures where material misstatements are likely to arise in the Group Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect of the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management; and
 - reviewing the Group’s internal documentation of its Process; and



- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note IRO-1.

In conducting our limited assurance engagement, with respect to the Group Sustainability Statement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Group Sustainability Statement by:
 - Obtaining an understanding of the Group’s control environment, processes and information system relevant to the preparation of the Group Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group’s internal control.
- Evaluated whether all material information identified by the Process is included in the Group Sustainability Statement;
- Evaluated whether the structure and the presentation of the Group Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Group Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Group Sustainability Statement;
- Where applicable, compared disclosures in the Group Sustainability Statement with the corresponding disclosures in the financial statements and management report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Other matter

The comparative information included in the Group Sustainability Statement of Allegro.eu as at 31 December 2024 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers, Société Coopérative
Luxembourg 12 March 2025

Represented by

Malik Lekehal
Réviseur d’Entreprises Agréé

Julien Melotte
Réviseur d’Entreprises Agréé

allegro

FINANCIAL STATEMENTS



1.

Responsibility Statement

Allegro.eu
Société anonyme
1, rue Hildegard von Bingen, L – 1282 Luxembourg,
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B214.830

RESPONSIBILITY STATEMENT

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

These annual 2024 Consolidated Financial Statements prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (IFRS) and Standalone Financial Statements prepared in accordance with Generally Accepted Accounting Principles in Luxembourg, 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 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 on its behalf by:

Gary McGann
Director

Roy Perticucci
Director



2.

Audit Report

To the Shareholders of
Allegro.eu

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Allegro.eu (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 42 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Marketplace revenue recognition and accounting for Smart! Program</i>	Our audit procedures over revenue recognition included, among others:
The Group’s consolidated revenue amounted to PLN 10,821 million in 2024. There are multiple revenue streams as described in the Note 10.2.	• We obtained an understanding of and assessed the overall IT control environment and the controls in place; • We tested the operating effectiveness of selected internal controls around system development, program changes and IT dependent business controls to confirm that changes to the system were appropriately authorised and also developed and implemented properly;
Marketplace revenue amounted to 7,538 million and accounted for 69.7% of revenue of the Group for the year ended 31 December 2024.	• We tested selected internal controls in the marketplace revenue process in the areas like offers listing registering, processing of transactions, fees calculation, client payments registration and selling blockade application for merchants with overdue balances;
As part of the revenue generating activity the impact of the Smart! deliveries (loyalty program) show a cost of PLN 2,835 million presented as an expense in "Cost of delivery" in operating expenses (including the negative margin when the Company acts as an agent as the cost of delivery exceeds the subscription fee earned).	• We used automated revenue testing for detailed tests of marketplace sales transactions which includes automatic matching of billing records with payments; • We selected a sample of revenue transactions and recalculated commission in accordance with the price lists and vouched outstanding accounts receivables of the seller after the transaction to subsequent bank payments;
Disclosure regarding Smart! program and key judgement applied were included in the Notes 10.1, 10.3 and 10.5 to the consolidated financial statements.	• We reconciled billing records to trial balance without material differences; • We analysed journal entries impacting marketplace revenue to identify any entries that might not be justified;
Application of revenue recognition policies to marketplace revenue and Smart! Program is complex and involves estimates as well as management judgement related to the definition of a customer or agent versus principal. In addition, the large number of transactions, high automation of	• We tested contract liabilities and refund liabilities to determine whether appropriate amounts have been recognised during the period; • We assessed the adequacy of the assumptions used by the Management in the process of determination of significant judgement relating to application of IFRS 15 (revenue recognition);



revenue recognition and sophistication of systems and processes used by the Group increase the overall complexity.	• We evaluated the management judgments related to Smart! accounting policies; we have also considered whether there were any changes in facts and circumstances as compared to the year when the accounting policy was developed;
We identified marketplace revenue recognition and accounting for Smart! program as a key audit matter as the application of revenue recognition standard is complex and involves significant judgement and estimates.	• We assessed adequacy and completeness of disclosures.
We identified marketplace revenue recognition and accounting for Smart! program as a key audit matter as the application of revenue recognition standard is complex and involves significant judgement and estimates.	
Other information	
The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Management Report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.	
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.	
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.	
Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements	
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.	
In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.	
Those charged with governance are responsible for overseeing the Group's financial reporting process.	



The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").
Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements
The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
• identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control; • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control; • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors; • conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern; • evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; • plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management Report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 26 June 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 8 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.



In our opinion, the consolidated financial statements of the Group as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 12 March 2025

Malik Lekehal

3.

Consolidated Financial Statements

Consolidated Statement of comprehensive income

	Note	01.01–31.12.2024	01.01–31.12.2023
Revenue	10	10,821,231	10,185,317
Other operating income	19.2	118,724	65,243
Total revenue and other operating income		10,939,955	10,250,560
Operating expenses		(8,108,938)	(7,836,463)
Payment charges		(164,527)	(159,578)
Cost of goods sold		(1,512,455)	(2,322,133)
Cost of delivery	10.5	(2,835,015)	(2,307,571)
Marketing service expenses		(1,610,538)	(1,231,724)
Staff costs net		(1,237,221)	(1,169,484)
<i>Staff costs gross</i>		<i>(1,527,375)</i>	<i>(1,427,702)</i>
<i>Capitalisation of development costs</i>		<i>290,154</i>	<i>258,218</i>
IT service expenses		(225,105)	(201,906)
<i>IT service expenses gross</i>		<i>(234,585)</i>	<i>(220,173)</i>
<i>Capitalisation of development costs</i>		<i>9,480</i>	<i>18,267</i>
Other expenses net		(509,505)	(396,336)
<i>Other expenses gross</i>		<i>(619,475)</i>	<i>(493,453)</i>
<i>Capitalisation of development costs</i>		<i>109,970</i>	<i>97,117</i>
Net impairment losses on financial and contract assets	33.2	(14,572)	(47,731)
Operating profit before amortisation and depreciation and impairment losses on non-current non-financial assets		2,831,017	2,414,097
Amortisation, Depreciation and Impairment losses of non-current non-financial assets		(1,043,960)	(1,623,976)
Amortisation		(711,897)	(730,037)
Depreciation		(250,504)	(244,077)
Impairment losses of non-current non-financial assets	32	(81,559)	(649,862)
Operating profit		1,787,057	790,121

	Note	01.01–31.12.2024	01.01–31.12.2023
Net Financial costs	11	(343,677)	(289,952)
Financial income		135,578	74,251
Financial costs		(479,255)	(364,203)
Profit before Income tax		1,443,380	500,169
Income tax expenses	12	(408,819)	(216,111)
Net Profit		1,034,561	284,058
Other comprehensive income		(12,136)	(229,149)
– Items that may be reclassified to profit or loss		(9,932)	(232,791)
Gain/(Loss) on cash flow hedging		62,783	(29,041)
Cash flow hedge – Reclassification from OCI to profit or loss		(104,942)	(220,039)
Deferred tax relating to these items		14,196	58,718
Exchange differences on translation of foreign operations		18,031	(42,429)
– Items that will not be reclassified to profit or loss		(2,204)	3,642
Remeasurements of post-employment benefit obligations		(2,719)	4,498
Deferred tax relating to these items		515	(856)
Total comprehensive income for the period		1,022,425	54,909

	Note	01.01–31.12.2024	01.01–31.12.2023
Net profit for the period is attributable to:		1,034,561	284,058
Shareholders of the Parent Company		1,034,561	284,058

	Note	01.01–31.12.2024	01.01–31.12.2023
Total comprehensive income for the period is attributable to:		1,022,425	54,909
Shareholders of the Parent Company		1,022,425	54,909

	Note	01.01–31.12.2024	01.01–31.12.2023
Earnings per share for profit attributable to the ordinary equity holders of the company (in PLN)	13		
Basic		0.98	0.27
Diluted		0.97	0.27

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of financial position

ASSETS

Non-current assets	Note	31.12.2024	31.12.2023
Goodwill	14	8,816,140	8,816,140
Other intangible assets	14	4,337,597	4,572,968
Property, plant and equipment	15	1,022,250	1,087,159
Derivative financial assets	28	21,331	—
Other receivables		22,860	3,041
Prepayments	18	5,383	—
Deferred tax assets	25	27,932	33,457
Investments		364	364
Restricted cash	22	10,741	11,708
Total non-current assets		14,264,598	14,524,837
Current assets	Note	31.12.2024	31.12.2023
Inventory	16	174,590	300,154
Trade and other receivables	17	352,031	1,078,342
Prepayments	18	58,709	69,588
Consumer loans	19	502,885	403,261
Other financial assets	20	29,667	6,629
Derivative financial assets	28	10,993	89,191
Income tax receivables		839	9,300
Cash and cash equivalents	21	4,058,943	2,049,122
Restricted cash	22	64,036	8,379
Total current assets		5,252,693	4,013,966
TOTAL ASSETS		19,517,291	18,538,803

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

EQUITY AND LIABILITIES

Equity	Note	31.12.2024	31.12.2023
Share capital	30	10,569	10,569
Capital reserve		8,308,421	8,298,479
Exchange differences on translating foreign operations		79,254	61,223
Cash flow hedge reserve		24,271	52,234
Actuarial gain/(loss)		1,760	3,964
Other reserves	30.2	177,296	127,357
Treasury shares	30.3	(107,980)	(69,499)
Retained earnings		558,999	274,941
Net result		1,034,561	284,058
Equity allocated to shareholders of the Parent		10,087,151	9,043,326
Total equity		10,087,151	9,043,326
Non-current liabilities	Note	31.12.2024	31.12.2023
Borrowings	23	5,788,158	6,064,785
Lease liabilities	24	426,822	474,496
Other financial liabilities		664	—
Deferred tax liability	25	592,333	669,466
Liabilities to employees	26	9,008	4,938
Derivative financial liabilities	28	2,711	13,703
Total non-current liabilities		6,819,696	7,227,388
Current liabilities	Note	31.12.2024	31.12.2023
Borrowings	23	—	2,702
Lease liabilities	24	146,922	143,086
Trade and other liabilities	27	2,111,041	1,906,698
Income tax liability		171,291	45,801
Liabilities to employees	26	181,007	169,802
Derivative financial liabilities	28	183	—
Total current liabilities		2,610,444	2,268,089
TOTAL EQUITY AND LIABILITIES		19,517,291	18,538,803

Consolidated Statement of changes in equity

	Share Capital	Capital reserve	Exchange differences on translating foreign operations	Cash flow hedge reserve	Actuarial gain/(losses)	Other reserves	Treasury shares	Retained earnings	Net result	Equity allocated to shareholders of the Parent	Total
As at 01.01.2024	10,569	8,298,479	61,223	52,234	3,964	127,357	(69,499)	274,941	284,058	9,043,326	9,043,326
Profit/(loss) for the period	—	—	—	—	—	—	—	—	1,034,561	1,034,561	1,034,561
Other comprehensive income	—	—	18,031	(27,963)	(2,204)	—	—	—	—	(12,136)	(12,136)
Total comprehensive income for the period	—	—	18,031	(27,963)	(2,204)	—	—	—	1,034,561	1,022,425	1,022,425
Transfer of profit/(loss) from previous years	—	—	—	—	—	—	—	284,058	(284,058)	—	—
Acquisition of treasury shares (see note 30)	—	—	—	—	—	—	(103,920)	—	—	(103,920)	(103,920)
Allegro Incentive Plan – release of treasury shares (see note 30)	—	(65,439)	—	—	—	—	65,439	—	—	—	—
Allegro Incentive Plan – accrued (see note 30)	—	—	—	—	—	125,320	—	—	—	125,320	125,320
Allegro Incentive Plan – vested shares (see note 30)	—	75,381	—	—	—	(75,381)	—	—	—	—	—
Transactions with owners in their capacity as owners	—	9,942	—	—	—	49,939	(38,481)	284,058	(284,058)	21,400	21,400
As at 31.12.2024	10,569	8,308,421	79,254	24,271	1,760	177,296	(107,980)	558,999	1,034,561	10,087,151	10,087,151

As at 01.01.2023	10,569	8,282,469	103,652	242,596	322	67,910	(1,200)	2,191,737	(1,916,796)	8,981,259	8,981,259
Profit/(loss) for the period	—	—	—	—	—	—	—	—	284,058	284,058	284,058
Other comprehensive income	—	—	(42,429)	(190,362)	3,642	—	—	—	—	(229,149)	(229,149)
Total comprehensive income for the period	—	—	(42,429)	(190,362)	3,642	—	—	—	284,058	54,909	54,909
Transfer of profit/(loss) from previous years	—	—	—	—	—	—	—	(1,916,796)	1,916,796	—	—
Acquisition of treasury shares (see note 30)	—	—	—	—	—	—	(87,626)	—	—	(87,626)	(87,626)
Allegro Incentive Plan – release of treasury shares (see note 30)	—	(19,327)	—	—	—	—	19,327	—	—	—	—
Allegro Incentive Plan – accrued (see note 30)	—	—	—	—	—	94,784	—	—	—	94,784	94,784
Allegro Incentive Plan – vested shares (see note 30)	—	35,337	—	—	—	(35,337)	—	—	—	—	—
Transactions with owners in their capacity as owners	—	16,010	—	—	—	59,447	(68,299)	(1,916,796)	1,916,796	7,158	7,158
As at 31.12.2023	10,569	8,298,479	61,223	52,234	3,964	127,357	(69,499)	274,941	284,058	9,043,326	9,043,326

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of cash flows

Cash flows from operating activities	Note	01.01–31.12.2024	01.01–31.12.2023
Profit before income tax		1,443,380	500,169
Amortisation, Depreciation and Impairment losses of non-current non-financial assets		1,043,960	1,623,976
Net interest expense (excluding interest on leases)	11	394,781	248,921
Interest on leases	31.3	26,755	28,952
Non-cash employee benefits expense – share based payments	30.2	99,318	74,477
Revolving facility availability fee	11	7,636	6,476
Net (gain)/loss exchange differences		38,956	85,982
Net (gain)/loss on sale of non-current assets		6	(1,976)
(Increase)/Decrease in trade and other receivables and prepayments	31.3	729,650	223,527
(Increase)/Decrease in inventories	31.3	119,243	168,314
Increase/(Decrease) in trade and other liabilities	31.3	199,009	(34,534)
(Increase)/Decrease in consumer loans	31.3	(99,624)	(36,386)
Increase/(Decrease) in liabilities to employees	31.3	1,856	7,268
(Increase)/Decrease in cash restricted	31.3	(54,691)	14,170
Other		405	(3,251)
Cash flow from operating activities		3,950,640	2,906,085
Income tax paid		(327,457)	(365,228)
Net cash inflow/(outflow) from operating activities		3,623,183	2,540,857

Cash flows from investing activities	Note	01.01–31.12.2024	01.01–31.12.2023
Payments for property, plant, equipment and intangibles		(618,725)	(470,465)
Purchase of mutual fund units	20	(25,000)	—
Other		3,274	3,622
Net cash inflow/(outflow) from investing activities		(640,451)	(466,843)

Cash flows from financing activities	Note	01.01–31.12.2024	01.01–31.12.2023
Acquisition of treasury shares	30.3	(103,920)	(87,626)
Borrowings received	31.2	—	245,000
Arrangement fee paid		(5,150)	(40,460)
Borrowings repaid	31.2	(300,000)	(487,500)
Interest rate hedging instrument settlements		105,840	234,899
Interest paid	31.2	(473,769)	(576,846)
Lease payments	31.2	(184,987)	(166,087)
Revolving facility availability fee payments		(5,356)	(5,280)
Net cash inflow/(outflow) from financing activities		(967,342)	(883,900)

Net increase/(decrease) in cash and cash equivalents		2,015,390	1,190,114
Cash and cash equivalents at the beginning of the financial year		2,049,122	877,559
Effect of movements in exchange rates on cash held		(5,569)	(18,551)
Cash and cash equivalents at the end of the financial year		4,058,943	2,049,122

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE 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 Group is registered in Luxembourg, and its registered office is located at 1, rue Hildegard von Bingen, Luxembourg.

The Parent was established as a limited liability company (société à responsabilité limitée) in Luxembourg on 5 May 2017. The Parent was transformed into a joint-stock company (société anonyme) on 27 August 2020.

The Parent's shares have been listed on the Warsaw Stock Exchange ('WSE') since 12 October 2020.

The Group operates on the territory of Europe mainly in Poland but also Czech Republic, Slovenia, Slovakia, Hungary and Croatia. The Group's most significant operating entities in Poland are: Allegro Sp. z o.o. ('Allegro'), Allegro Pay Sp. z o.o. ('Allegro Pay'), Ceneo.pl Sp. z o.o. ('Ceneo') and eBilet Polska Sp. z o.o. ('eBilet'). In the Czech Republic the Group operates through Allegro Retail a.s. and in Slovenia through Mimovrste d.o.o ('Mimovrste'). The detailed information regarding the Group structure and the country of domicile of each legal entity within the Group is presented in note 7.

The Group's core activities comprise:

- online marketplace;
- retail sale via the Internet;
- advertising;
- online price comparison services;
- consumer lending to marketplace buyers;
- online tickets distribution;
- software and solutions for delivery logistics;
- logistic services;
- other information technology and computer service activities;
- computer facilities management activities;
- software-related activities;
- providing payment services.

These Consolidated Financial Statements were prepared for the year ended 31 December 2024 with comparative amounts for the year ended 31 December 2023.

2. Basis of preparation

These Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2024 were prepared in accordance with IFRS Accounting Standards as adopted by the European Union (IFRS), binding as at 31 December 2024 (together 'the Consolidated Financial Statements').

These Consolidated Financial Statements were prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value.

The Consolidated Financial Statements were prepared on the assumption that the Group would continue as a going concern for at least 12 months subsequent to the date of the authorisation of these Consolidated Financial Statements. In making this going concern assumption Management took into consideration all available information about the future. Based on the current assessment, climate-related matters do not create material uncertainties regarding events or conditions that might cast significant doubt on the Group's ability to continue as a going concern (see note 32.9 disclosing the impact of the climate related risks on these Consolidated Financial Statements).

The summary of the material accounting policies applied in the preparation of these Consolidated Financial Statements is presented in note 3. These accounting policies were applied by the Group consistently in all periods presented, unless indicated otherwise.

There were no other changes in accounting policies in the period covered by the Consolidated Financial Statements of Allegro.eu S.A. ended 31 December 2024, except for the change in the name of one line item made in the statement of comprehensive income described below to better reflect the nature of the expenses aggregated within this line item and the presentation change in the Consolidated Statement of Cash Flow described below.

Considering the scale-up of Allegro Logistic operations, which consequently increases the proportion of deliveries where Allegro acts under the principal model (either through its own logistics network or through third-party delivery services where the Group assumes responsibility for fulfilling the delivery), the Group has changed the name of 'net cost of delivery line' in the statement of comprehensive income to 'cost of delivery.'

'Cost of delivery' reflects the combination of the excess of delivery costs over the SMART subscription fees accounted for under the agent model, together with the logistics costs incurred from the Group's own delivery methods. In both periods, at least 80% of 'Cost of delivery' can be attributed to the agent model.

Moreover, in the Consolidated Statement of Cash Flows for the year ended 31 December 2023, the change in restricted cash was presented under the line 'Increase/Decrease in Trade and Other Receivables and Prepayments.' This year, the Group amended the presentation by excluding the change in restricted cash and presenting it on a separate line due to its significance. The comparatives were represented in this respect.

3.
Summary of significant accounting policies

3.1
Basis of preparation

MEASUREMENT OF ITEMS DENOMINATED
IN FOREIGN CURRENCIES

Transactions in foreign currency are converted into the functional currency using the exchange rates of the national banks of the respective countries prevailing at the dates of the transactions or on valuation dates (when items are re-measured). Foreign exchange gains and losses arising from settlement of those transactions and from translation at the exchange rate prevailing as at the reporting period end date are recognised on a net basis in the profit or loss. Measurement as at the balance sheet date, used the exchange rate prevailing as at the reporting period end date.

THE PRESENTATION AND FUNCTIONAL
CURRENCY

The presentation currency of the Consolidated Financial Statements is the Polish zloty ('PLN').

The results and financial position of Group companies that have a functional currency different from the presentation currency (whose functional currency is not the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences shall be recognised in other comprehensive income.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). These Consolidated Financial Statements of Allegro.eu S.A. Group are presented in the Polish Zloty which is the functional and presentation currency of the Parent.

As at 31 December 2024 and 31 December 2023 the Group's entities had functional currencies as follows:

Functional currency	2024	2023
Polish zloty (PLN)	Allegro.eu S.A.	Allegro.eu S.A.
	Allegro Treasury S.à r.l.	Allegro Treasury S.à r.l.
	Allegro Sp. z o.o.	Allegro Sp. z o.o.
	Opennet.pl Sp. z o.o.	Opennet.pl Sp. z o.o.
	eBilet Polska Sp. z o.o.	eBilet Polska Sp. z o.o.
	Allegro Finance Sp. z o.o.	Allegro Finance Sp. z o.o.
	SCB Warszawa Sp. z o.o.	SCB Warszawa Sp. z o.o.
	Allegro Pay Sp. z o.o.	Allegro Pay Sp. z o.o.
	Ceneo.pl Sp. z o.o.	Ceneo.pl Sp. z o.o.
Euro (EUR)	Mimovrste d.o.o.	Mimovrste d.o.o.
	Internet Mall Slovakia s.r.o.	Internet Mall Slovakia s.r.o.
	WE DO SK s.r.o	WE DO SK s.r.o
	Internet Mall d.o.o.	Internet Mall d.o.o.
Czech Crown (CZK)	Allegro Retail a.s.	Mall Group a.s.
		Internet Mall a.s.
		CZC.cz s.r.o.
		AMG Media a.s.
Hungarian Forint (HUF)	Internet Mall Hungary Kft. m-HU Internet Kft.	WE DO CZ s.r.o
		Internet Mall Hungary Kft.
		m-HU Internet Kft.

CONSOLIDATION

The Consolidated Financial Statements were prepared on the basis of the financial statements of the Parent, Allegro.eu, and the financial information of entities controlled by the Parent, prepared as at and for the period ended 31 December 2024. Allegro.eu Société anonyme is the topmost entity within the corporate hierarchy, responsible for preparation of Consolidated Financial Statements.

Except for the note with relation to share and per share amounts and unless otherwise stated, these Consolidated Financial Statements have been prepared in PLN thousand, and all amounts are stated in PLN thousand. All material balances and transactions between related entities, including material unrealised profits resulting from such transactions, have been fully eliminated.

Subsidiaries are consolidated under the acquisition accounting method from the moment that the Group has assumed control over them, and will cease to be consolidated when the Group loses control.

The Group accounts for business combinations under the acquisition method. The consideration for the acquired subsidiary constitutes the fair value of the assets transferred, liabilities incurred in respect of former owners of the target company and equity instruments issued by the Group. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets, liabilities and contingent liabilities acquired as a result of a business combination are initially measured at fair value as at the acquisition date.

Transaction costs arising on acquisitions are recognised in profit or loss when incurred.

The material accounting policies relating to the material transactions/events/conditions are presented in the respective notes which relate to such items.

3.2
Changes in accounting policies

3.2.1.
NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

In these Consolidated Financial Statements the following amendments and new standards that came into effect as of 1 January 2024 were applied.

New standard or amendment	Issued on	Effective for annual periods beginning on or after	Group's assessment of the regulation
Amendments to IFRS 16 – Lease liability in sale and leaseback	28 November 2022	1 January 2024	No impact
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants	15 July 2020	1 January 2024	Reflected in the note 23.2 (additional disclosure on covenants added)
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	25 May 2023	1 January 2024	No impact
IFRIC Agenda Decision on IFRS 8 – Segments	11 June 2024	11 June 2024	The impact of this decision has been reflected in note 9 (all material cost line items are disclosed by segments)

3.2.2.
STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET APPLICABLE,
WHICH HAVE NOT BEEN EARLY APPLIED BY THE GROUP

Certain new standards, amendment to standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, and which the Group has not early adopted.

New standard or amendment	Issued on	Effective for annual periods beginning on or after	Group's assessment of the regulation
Amendments to IAS 21 Lack of Exchangeability	15 August 2023	1 January 2025	No impact
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	30 May 2024	1 January 2026	Assessment in progress ^[1]
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	18 December 2024	1 January 2026	Assessment in progress ^[2]
Annual Improvements Volume 11 (issued on 18 July 2024)	18 July 2024	1 January 2026	Assessment in progress ^[2]
IFRS 18 Presentation and Disclosure in Financial Statements	9 April 2024	1 January 2027	Assessment in progress ^[3]
IFRS 19 Subsidiaries without Public Accountability: Disclosures	9 May 2024	1 January 2027	No impact (not relevant for the Group)

[1] The Group is evaluating the impact of the IFRS 9 amendments on its consolidated financial statements, particularly regarding the classification and presentation of cash in transit. These amendments provide further clarification on the recognition and derecognition for certain financial assets and liabilities, introducing a specific exception for financial liabilities settled via electronic cash transfer systems. Under the revised guidance, funds received through electronic payment systems as settlement of receivables cannot be recognised as 'cash and cash equivalents' until the funds are deposited into the Group's bank account. The Group has preliminarily determined that these changes will lead to a decrease in 'cash and cash equivalents', accompanied by a corresponding increase in 'trade and other receivables', as cash in transit will no longer qualify as 'cash and cash equivalents'. Until the amendments to IFRS 9 are implemented, cash in transit via electronic cash transfer systems will continue to be reported as 'cash and cash equivalents'. The Group has not yet quantified the impact of this amendment.

[2] The Group is currently assessing the impact of the amendments and improvements on its consolidated financial statements.

[3] Management is currently assessing the detailed implications of applying the new standard on the consolidated financial statements. Based on a high-level preliminary assessment, no significant changes are anticipated in the information currently disclosed in the notes, as the requirement to present material information remains unchanged. However, the way in which the information is grouped may be adjusted due to the application of aggregation and disaggregation principles.

4.
Composition of the board of directors

As at 31 December 2023, the Board of Directors comprised:

- Darren Huston (Chairman of the Board),
- Roy Perticucci (Group Chief Executive Officer),
- Jonathan Eastick (Group Chief Financial Officer),
- Pedro Arnt,
- David Barker,
- Nancy Cruickshank,
- Catherine Faiers,
- Paweł Padusiński,
- Richard Sanders,
- Carla Smits-Nusteling,
- Tomasz Suchański.

As at 31 December 2024, the Board of Directors comprised:

- Gary McGann (Chairman of the Board),
- Roy Perticucci (Group Chief Executive Officer),
- Jonathan Eastick (Group Chief Financial Officer),
- Pedro Arnt,
- David Barker,
- Laurence Bourdon-Tracol,
- Nancy Cruickshank,
- Catherine Faiers,
- Richard Sanders,
- Tomasz Suchański.

During 2024 the composition of the Board of Directors changed:

- Laurence Bourdon-Tracol (appointed 26 June 2024),
- Darren Huston (stepped down 26 June 2024),
- Gary McGann (appointed 26 June 2024),
- Paweł Padusiński (stepped down 26 June 2024),
- Carla Smits-Nusteling (stepped down 26 June 2024).

On 14 October 2024, it was announced that Roy Perticucci will stand down from his corporate positions in Allegro Group, including Executive Director, CEO of Allegro.eu and President of the Management Board of Allegro sp. z o.o., with effect as of 26th June 2025. The Board of Directors has initiated the process of selecting a new Group CEO.

The composition of the Board of Directors remained unchanged until the date of approval of these Consolidated Financial Statements.

5.
Business combinations

There were no business combinations in the year ending 31 December 2024 and 31 December 2023.

6.
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. The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published rules for its Pillar Two model. These are aimed at ensuring that large corporate groups are subject to a minimum taxation of at least a 15 percent rate in each jurisdiction they operate. The Group is in the scope of the Pillar Two Model Rules and has adopted the amendments to IAS 12 (please refer to note 12).
- II. On 24 January 2024, the Group entered into new interest rate swap contracts, which took effect in June 2024 as existing interest rate swap agreements were expiring. These new contracts were designated as cash flow hedges to mitigate the Group's floating interest rate exposure, primarily covering the period from October 2025 to October 2027. As at 31 December 2024, the Group has hedged PLN 2,500,000 of its total PLN 5,957,000 borrowings.

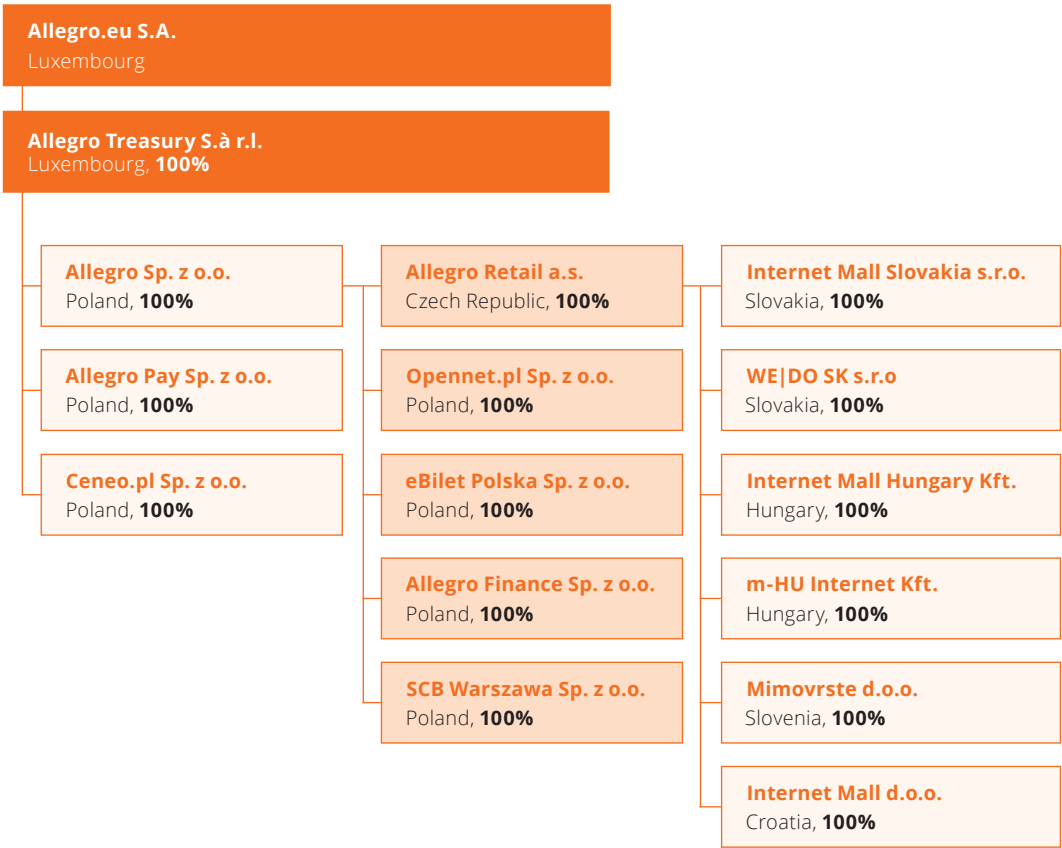
- III. In 2024 the Group marked a next phase in its international marketplace expansion, by launching Allegro.sk (on 29 February 2024) and Allegro.hu (on 1 October 2024), an e-commerce platforms serving customers on the territory of Slovakia and Hungary (for more information please refer to note 9 Segment information).
- IV. On 21 March 2024 the Group entered into a Participation Agreement with Banco Santander S.A related to the consumer loans originated by Allegro Pay. Under the Agreement, Banco Santander may participate in part of the cash flows from financed consumer loans, on a revolving basis up to a total amount of PLN 3,000,000. The initial limit granted is PLN 1,000,000. An additional PLN 2,000,000 is optional for Banco Santander. Based on the contractual arrangements Allegro Pay will transfer the right to receive principal cash-flows of the selected portfolio of loans to the financing partner, whilst retaining the right to collect the interest arising on those cash-flows. Considering that substantially all risk and rewards are transferred to financing partners, the principal amount of cash-flows subject to these transactions are derecognised from the Group balance sheet with any gain/loss recognised in 'Other operating income' within the Statement of Comprehensive Income (please refer to note 19).

- V. In June 2024, the Group launched the Allegro Delivery program, under which Allegro takes full responsibility and control over the delivery process. The introduction of the new delivery model forced the Group to analyse the existing accounting pattern applied for Smart and non-Smart deliveries. Upon review, the Group determined that Allegro's comprehensive responsibility and control over end-to-end delivery indicate that the Group acts as a principal rather than an agent. For more information please refer to note 10.1.
- VI. In the second half of 2023 the Group started gradually introducing a fee deduction mechanism resulting in priority to draw the success fee earned on marketplace activities from the inflows that merchants receive from buyers on the platform. Initially, this mechanism applied only to selected merchants and was fully expanded to include all merchants by February 2024. This resulted in a significant decrease of trade receivables by PLN 544,563 over the reporting period, as well as the decrease of credit risk borne by the Group (please refer to note 17).
- VII. On 14 October 2024 the Group made an announcement of a change in the position of CEO of Allegro Group. Roy Perticucci will stand down from his corporate positions in Allegro Group, including Executive Director and CEO of Allegro.eu and President of the Management Board of Allegro sp. z o.o., with effect as of 26th June 2025 when the 2025 AGM is expected to take place. The Board of Directors has initiated the process of selecting a new CEO.
- VIII. On 26 November 2024 the Group made an announcement that it would be launching the share buyback program in order to satisfy the awards granted under the Allegro Incentive Program. On 9 December 2024, the Group completed the share buyback program, resulting in the purchase of 3,473,726 shares representing 0.33% of the Group's share capital, valued at PLN 103,920. These shares will be held as Treasury Shares until delivered to employees participating in the Allegro Incentive Program.
- IX. On 18 December 2024 the Group made voluntarily repayment of the Additional Term Loan in the amount of PLN 300,000 and recognised the gain of PLN 5,416 on voluntarily repayment (see Notes 11 and 23).

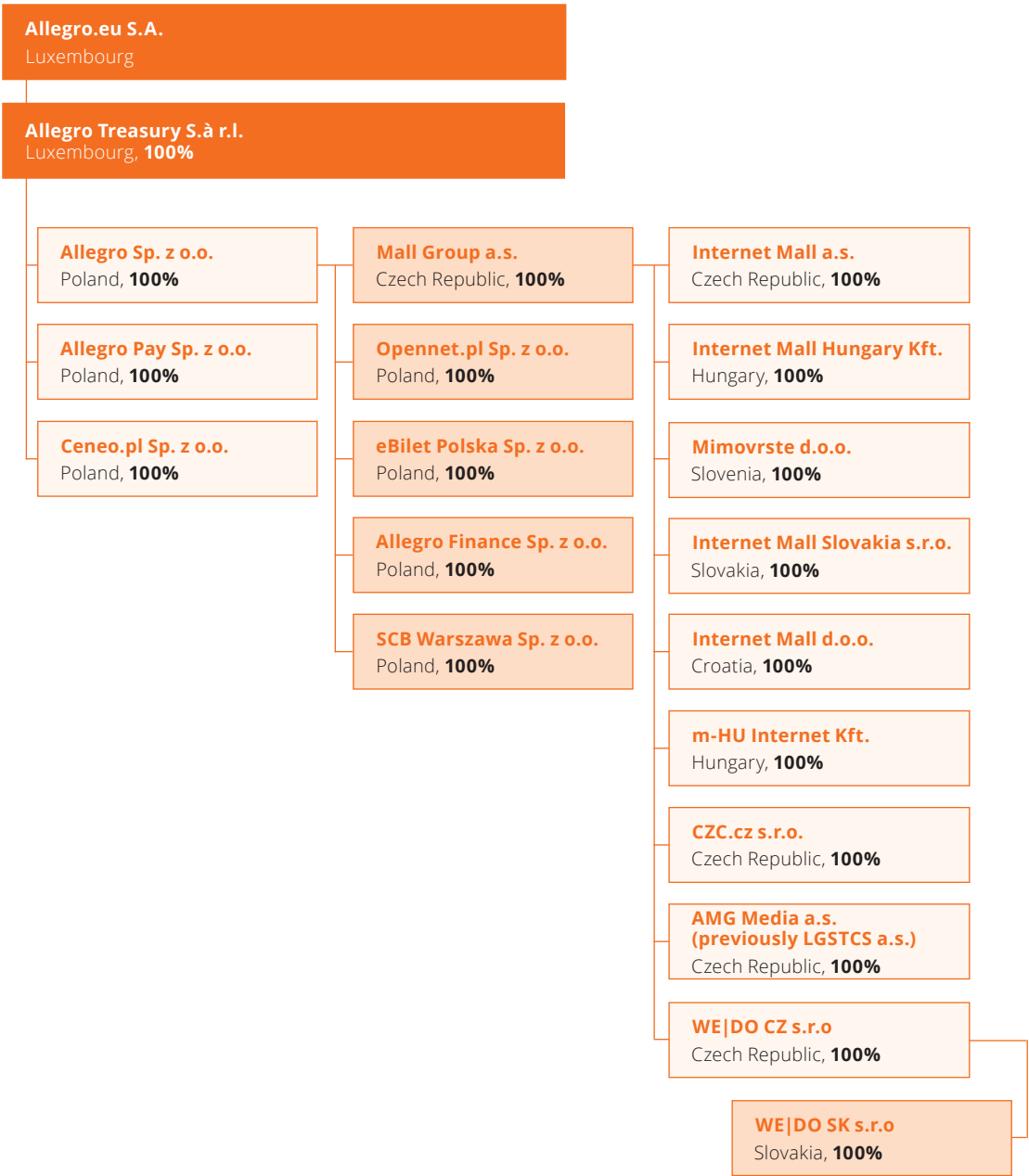
7.
Group structure

Key information regarding the members of the Group, their country of domicile, economic interest held by the Group and the periods subject to consolidation are presented in the following two tables for the years ended 31 December 2024 and 31 December 2023 respectively.

PERIOD COVERED BY CONSOLIDATION
01.01.2024 – 31.12.2024



PERIOD COVERED BY CONSOLIDATION
01.01.2023 – 31.12.2023



The voting power is the same as interest held in each entity (further information see Note 30.3).

The below transactions are neutral for these Consolidated Financial Statements:

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

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

On 14 July 2023 the liquidation process of Netretail sp. z o.o., a Polish based operating entity and subsidiary of Mall Group a.s. was completed. The assets controlled by the company were transferred to Allegro sp. z o.o.

On 1 January 2024, the Group completed the merger of Internet Mall a.s. with CZC.cz s.r.o., WE|DO CZ s.r.o. and AMG Media a.s. After the business combination, the entity remaining in existence is Internet Mall a.s., which has changed its name to Allegro Retail a.s.

On 1 October 2024, Allegro Retail a.s. merged with Mall Group a.s. with the Mall Group a.s. remaining in existence and changing its name to Allegro Retail a.s.



8. Approval of the consolidated financial statements

The Consolidated Financial Statements for the year ended 31 December 2024 were approved by the Board of Directors for publication on 11 March 2025.

NOTES TO THE CONSOLIDATED STATEMENTS 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 five reportable segments: Allegro, Ceneo, Mall, Allegro International and Other.

In May 2023 the Group marked a next phase in its international marketplace expansion, by launching allegro.cz, an e-commerce platform serving customers on the territory of Czech Republic. This was followed by the launch of the allegro.sk marketplace in Slovakia in February 2024 and launch of allegro.hu marketplace in Hungary in October 2024. This resulted in the creation of a three new operating segments allegro.cz, allegro.sk and allegro.hu aggregated into Allegro International reportable segment.

The new operating segments are able to generate largely independent cash inflows from other assets controlled by the Group and their discrete financial information is available. At the same time, the Group decided to aggregate results of the above operating segments, together forming the Allegro International reportable segment. This is due to the similar economics characteristics of segments providing unified marketplaces services on different markets, serving the same class of customers whilst using analogous distribution channels.

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

The reportable segments are identified at the Group level and are equal to the operating segments except for Allegro International reportable segment which is the aggregation of the 3 operating segments. Segment performance is assessed on the basis of revenue, operating profit before amortisation/depreciation, recognised impairment losses of non-current non-financial assets and decreased by reversal of such impairment losses ('EBITDA'), as defined in 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.

Amortisation, depreciation, and income tax expenses are not allocated to segments and not included within the segment measure of profit and loss as the Group is unable to assign these costs, given that the segments operate within a single legal entity. Additionally, interest income and finance costs are not allocated to segments, as these activities are managed by the central treasury function, which oversees the cash position of the Group. All operating segments have a dispersed customer base, with no single customer generating more than 10% of segment revenue.



The table below presents information regarding the Group's results across different segments and geographical locations.

01.01–31.12.2024	TOTAL	Allegro	Ceneo	Mall	Allegro Internation- al	Other	Elimina- tions
Revenue	10,821,231	9,048,293	343,190	1,462,213	165,409	63,133	(261,007)
External revenue	10,821,231	9,011,283	281,102	1,317,047	138,466	59,649	13,685
Poland	9,352,034	9,011,283	281,102	—	—	59,649	—
Czech Republic	847,701	—	—	712,925	121,091	—	13,685
Other countries	621,497	—	—	604,122	17,375	—	—
Inter-segment revenue	—	37,010	62,088	145,166	26,943	3,484	(274,692)
Other operating income	118,724	118,599	—	125	—	—	—
Total revenue and other operating income	10,939,955	9,166,892	343,190	1,462,338	165,409	63,133	(261,007)
Operating expenses	(8,108,938)	(5,805,149)	(236,656)	(1,712,602)	(534,056)	(81,357)	260,882
Payment charges	(164,527)	(142,149)	(640)	(8,573)	(10,742)	(2,460)	38
Cost of goods sold	(1,512,455)	(433,145)	—	(1,108,376)	(151)	(1)	29,218
Cost of delivery	(2,835,015)	(2,695,192)	—	(100,398)	(85,050)	—	45,624
Marketing service expenses	(1,610,538)	(1,049,810)	(169,301)	(115,809)	(350,603)	(6,920)	81,904
Staff costs net	(1,237,221)	(927,604)	(41,336)	(222,127)	(33,812)	(23,215)	10,873
IT service expenses	(225,105)	(187,640)	(6,870)	(38,256)	(12,605)	(6,948)	27,214
Other expenses net	(509,505)	(353,196)	(18,303)	(121,480)	(40,688)	(41,849)	66,011
Net impairment losses on financial and contract assets	(14,572)	(16,415)	(206)	2,417	(404)	36	—
EBITDA	2,831,017	3,361,743	106,534	(250,264)	(368,647)	(18,223)	(125)
Amortisation, depreciation and impairment losses of non-current non-financial assets	(1,043,960)						
Net financial costs	(343,677)						
Profit before income tax	1,443,380						
Income tax expense	(408,819)						
Net profit	1,034,561						

01.01–31.12.2023	TOTAL	Allegro	Ceneo	Mall	Allegro Internation- al	Other	Elimina- tions
Revenue	10,185,317	7,587,013	305,878	2,325,279	56,140	61,866	(150,859)
External revenue	10,185,317	7,550,900	256,485	2,271,569	49,869	56,494	—
Poland	7,863,971	7,550,900	256,485	92	—	56,494	—
Czech Republic	1,513,792	—	—	1,463,923	49,869	—	—
Other countries	807,554	—	—	807,554	—	—	—
Inter-segment revenue	—	36,113	49,393	53,710	6,271	5,372	(150,859)
Other operating income	65,243	65,243	—	—	—	—	—
Total revenue and other operating income	10,250,560	7,652,256	305,878	2,325,279	56,140	61,866	(150,859)
Operating expenses	(7,836,463)	(4,887,022)	(204,655)	(2,543,879)	(278,622)	(68,975)	146,690
Payment charges	(159,578)	(136,838)	(643)	(14,434)	(5,237)	(2,450)	24
Cost of goods sold	(2,322,133)	(469,905)	—	(1,861,543)	—	(3)	9,318
Cost of delivery	(2,307,571)	(2,230,634)	—	(69,927)	(15,572)	—	8,562
Marketing service expenses	(1,231,724)	(778,083)	(144,482)	(194,803)	(177,949)	(4,762)	68,356
Staff costs net	(1,169,484)	(768,433)	(35,317)	(291,532)	(55,290)	(20,738)	1,827
IT service expenses	(201,906)	(165,668)	(7,932)	(33,848)	(3,647)	(5,481)	14,670
Other expenses net	(396,336)	(291,845)	(15,683)	(76,518)	(20,827)	(35,396)	43,933
Net impairment losses on financial and contract assets	(47,731)	(45,614)	(597)	(1,274)	(100)	(146)	—
EBITDA	2,414,097	2,765,234	101,223	(218,600)	(222,482)	(7,109)	(4,169)
Amortisation, depreciation and impairment losses of non-current non-financial assets	(1,623,976)						
Net financial costs	(289,952)						
Profit before income tax	500,169						
Income tax expense	(216,111)						
Net profit	284,058						

This pdf document is not the binding version of the annual financial reporting of the Allegro.eu Group. The official version of the Annual Report of Allegro.eu Group, containing the audited Consolidated Financial Statements and the auditor's report thereto are included in the report package which can be found on the Allegro.eu website. In any case of discrepancies between the following version and the report package, the report package prevails.

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 segments.

	31.12.2024	31.12.2023
Non-current assets ^[1]	14,236,093	14,491,381
Poland	13,877,122	13,636,869
Other countries	358,971	854,511

[1] non-current assets other than financial instruments, deferred tax assets

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), depreciation/amortisation, recognised impairment losses of non-current non-financial assets and decreased by reversal of such impairment losses.

In the opinion of the Board of Directors, Adjusted EBITDA is the most relevant measure of profit of the Group as a whole whereas the results of each operating segment are analysed based on EBITDA (see note 9.1). Adjusted EBITDA excludes the effects of significant items of income and expenditure that may have an impact on the quality of earnings.

Adjusted EBITDA excludes the effects of significant items of income and expenditure. The Group defines Adjusted EBITDA as EBITDA excluding regulatory proceeding costs, Group restructuring and development cost, donations to various public benefit organisations, employee restructuring costs, because these expenses are mostly of non-recurring nature and are not directly related to core operations of

The Group does not have material non-current assets other than financial instruments and deferred tax assets in the Parent Company country of domicile (i.e. Luxembourg). Information regarding the Group's assets in Poland and other geographical locations is presented in the table below.

the Group. Adjusted EBITDA also excludes costs of recognition of incentive programs (Allegro Incentive Plan) and valuation and settlement of Virtual Power Purchase Agreement (vPPA). Consolidated adjusted EBITDA is analysed and verified only at the Group level.

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

	01.01–31.12.2024	01.01–31.12.2023
EBITDA	2,831,017	2,414,097
Allegro Incentive Plan ^[1]	100,714	77,719
Group restructuring and development costs ^[2]	34,136	39,502
Employees restructuring cost ^[3]	12,141	7,694
vPPA agreement ^[4]	2,894	—
Regulatory proceeding costs ^[5]	12,732	564
Donations to various public benefit organisations ^[6]	1,391	500
Adjusted EBITDA	2,995,025	2,540,076

[1] 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.

[2] Represents legal and financial due diligence and other advisory expenses with respect to:

- a. potential acquisitions or discontinued acquisition projects,
- b. integration and other advisory expenses with respect to signed and/or closed acquisitions,
- c. non-employee restructuring cost.

[3] Represents certain payments related to Mall Group and merger of WE|DO and reorganisation of the Management Boards of the parent entity and the underlying operating entities, as well as redundancy payments for employees affected by restructuring projects.

[4] Represents the results on valuation of the Group's virtual power purchase agreement ('vPPA'). This agreement reflects virtual purchases of green energy and is treated as a financial instrument valued at fair value through profit and loss. More information is presented in note 28.2 to the Annual Consolidated Financial statements for the year ended 31 December 2024.

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

[6] Represents donations made by the Group to support health service and charitable organisations and NGOs.

10. Revenues from contracts with customers

10.1 Accounting policies

RECOGNITION OF REVENUE

The consideration includes an estimate of the variable consideration if it is highly probable that the amount will not result in a significant reversal of revenue should the estimates change. The transaction price is adjusted for the time value of money if a contract includes a significant deferred payment component (the Group did not have such contracts in 2024 and 2023).

MARKETPLACE REVENUE

The Group earns two main types of fees: success fees and listing. The listing fee is a fixed amount which is payable up-front and is non-refundable. The success fee is calculated as a percentage of the transaction price and is payable when a listed good gets sold.

There is generally only one performance obligation in a contract with the seller being the selling service. There does not appear to be any advertising benefit for the seller that could be separated from the selling service. It is because there is no indication that the seller can benefit from the advertising on its own or with other resources that are readily available as the restricted and monitored contact between the seller and the buyer prevents any interaction between them outside the Group website, which is different from any typical advertising arrangement.

SUCCESS FEES

Based on its judgement, the Management is of the view that the contract between the Group and the seller should be seen as a contract under which the

Group promises to find purchasers for the seller's goods (i.e., the Group's performance consists only of finding a purchaser for the products). As a result, the Group earns revenue from sellers on the platform and recognises success fees when listed goods are sold. Transaction revenue at the end of each reporting period is reduced by a provision for commission refund for sellers as well as discounts and incentives. The Group's policy enables sellers to claim refunds for transactions that were terminated by the clients during 45 days from the initial transaction.

Marketplace revenues are invoiced monthly and fall due after 14 days or are deducted from the account of the merchant after the transaction. Fee deduction mechanism implemented for selected merchants in 2023 results in deduction of success and thus reduction of receivables balance arising on such transactions (see note 17).

LISTING FEES

Based on its judgement, the Management is of the view that the contract between the Group and the seller should be seen as a contract under which the Group promises to make the seller's products available for purchase (i.e., the Group's performance includes both listing the products and finding a purchaser for them). As a result, the Group earns revenue from sellers on the platform. Inflows from subscriptions are presented as deferred income and recognised as revenue straight line over the duration of the listing period which does not exceed 12 months (there is no significant financing component in this transaction).

PRICE COMPARISON REVENUE

Revenues are recognised when shoppers click on a seller's offer listed along with competing offers for the same product. The shopper is directed to the seller's own website and the merchant pays a click-through fee for this marketing lead (fixed fee per one click).

Revenues are invoiced monthly in arrears and in general fall due after 14 days.

ADVERTISING REVENUE

Revenue from provided advertising services is recognised in the reporting period in which the service is performed. Revenue from advertising services is recorded net of any estimated discounts, including volume-based discounts.

Advertising revenues are invoiced monthly in arrears and fall due after 14 days.

RETAIL REVENUE

Revenue from retail sales is recognised when the goods purchased for resale are sold via own proprietary stores operating on the marketplaces. The revenue is recognised when control of the goods has transferred to the customer, being the moment when the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods on the marketplace the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Revenue, initially measured at the amount of consideration to which the Group expects to be entitled is decreased by the expected level of returns. At the same time refund liability, initially measured at the amount of consideration received or receivable to which the entity does not expect to be entitled, and an asset with the corresponding adjustment to cost of sales for the right to recover products from customers is recognised. The Group is not responsible for any claims on warranties.

Retail revenue is invoiced and the payment is received upon completion of the sale transaction.

LOGISTIC SERVICE REVENUE

Logistic service revenue is related mainly to the paid deliveries organised by the Group. Revenue is recognised in the reporting period in which the service is performed at the point of time when delivery is completed. The delivery is usually completed within 1-3 working days. Prices per parcel can be differentiated based on the delivery method and certain thresholds in respect of the number, size and weight of the parcels. Once the price is determined for the specific parcel based on its parameters, it becomes a fixed consideration; there are no components of variable consideration in the transaction price.

Logistic service revenue is invoiced and the payment is received upon completion of the sale transaction.

OTHER REVENUE

Other revenues relate mainly to success fee from sale of insurance and instalments, offered by the third parties, in relation to the goods sold on the marketplace. The Group is acting as an agent in these types of transactions. Other revenue is mostly recognised at a point of time, upon completion of the transaction on the marketplace.

CUSTOMER INCENTIVES PROGRAMS

The attractiveness of the marketplace to sellers (also referred to as merchants), and therefore revenue potential for the Group, depends crucially on the number of active buyers and their engagement with the marketplace (e.g. site visits, transactions, and value of purchases made). To increase buyer activity on the marketplace, the Group has introduced certain programs to incentivise buyers to shop on the marketplace. Allegro seeks to increase numbers of buyers and their engagement metrics by incurring costs, at its own risk, that attract traffic and new buyers such as operating a free of charge loyalty scheme. Such activities are recognised as explained below.

SMART!

Allegro partially covers expenditure for functionalities on the marketplace that buyers may otherwise see as a barrier to making e-commerce transactions, such as the costs of delivery. To reduce the delivery cost barrier to purchase, the Smart! loyalty program was introduced in 2018. For an annual or monthly subscription, the user buys unlimited free of charge package deliveries for the duration of the subscription, subject to a minimum order value. Subscription fees are paid at the beginning of the subscription period. Inflows from subscriptions are presented as contract liability (within “trade and other payables”) and recognised in comprehensive income on the time-based model over the duration of the subscription agreement as the number of packages the subscriber may order using the Smart! Free delivery service is unlimited. Allegro acts as both: agent when arranging delivery performed by a third party with Allegro’s limited responsibility and control, and as a principal when the responsibility for the process rests with Allegro. Revenue recognition differs under the agent and principal models.

Agent

Under the agent model the cost of free delivery is deducted from subscription fees paid by Smart! Subscribers, Costs of delivery in excess of the subscription fee earned are presented in operating expenses in the statement of comprehensive income. Although a portion of individual transactions relating to Smart! program concluded on the Group’s online marketplace may result in a loss due to delivery provided to buyers costing more than the transaction fees earned from sellers, the Group concluded that these losses are acceptable from the business perspective to drive overall buyer engagement and transaction volumes that generate positive net revenues earned as a whole.

Principal

In addition to the Agent arrangement described above, in June 2024, Allegro introduced its own Allegro Delivery brand, under which it became principal on deliveries through increased control and responsibility for the process. In this arrangement Allegro acts as a principal since the Group is primarily responsible for fulfilling the promise to

provide the transportation service to the buyer, i.e. Allegro.eu Group takes a responsibility for on – time delivery of goods as well as the responsibility in case the goods are lost or damaged in the delivery. Under principal model, subscription fee is presented gross in Logistic Service Revenue, separately from cost of delivery.

Considering the scale-up of Allegro Logistic operations, which consequently increases the proportion of deliveries where Allegro acts under the principal model (either through its own logistics network or through third-party delivery services where the Group assumes responsibility for fulfilling the delivery), the Group has changed the name of ‘net cost of delivery line’ in the statement of comprehensive income to ‘cost of delivery’ (please refer to Note 2).

‘Cost of delivery’ reflects the combination of the excess of delivery costs over the SMART subscription fees accounted for under the agent model, together with the logistics costs incurred from the Group’s own delivery methods under the principal model. In both periods, at least 80% of ‘Cost of delivery’ can be attributed to the agent model.

Information on why SMART! Program is not an insurance contract is provided in the Note 32.7.

ALLECOINS

The Allecoins loyalty program was implemented to encourage buyers to exhibit specific behaviours (e.g. purchase via the mobile application, purchases in defined categories). Buyers accumulate coins for purchases made which entitle them to discounts on future purchases. A refund liability for the award points is recognised at the time of the purchase of goods on the platform by the buyers, as it represents the Group’s obligation to transfer the cash to the Merchant when the buyers use the Allecoins to pay for their purchases on the platform. The value of discounts earned and redeemed during the period are classified as discounts and incentives. Those earned on purchases from merchants are presented as an adjustment to revenue while coins earned as a result of various buyers’ activities on the Platform (for example downloading mobile application) are presented as marketing expenses.

10.2
Disaggregation of revenue from contracts with customers

	01.01–31.12.2024	01.01–31.12.2023
Marketplace revenue	7,537,591	6,327,529
Price comparison revenue	235,339	207,895
Advertising revenue	1,088,265	833,401
Retail revenue	1,669,467	2,598,771
Logistic Service Revenue	233,631	140,541
Other revenue	56,938	77,180
Revenue	10,821,231	10,185,317

The decline in Retail Revenue in 2024 is due to the shift of the business on the Czech market from a ‘retailer business model’, where the Group generates the revenue from sales of the goods purchased for resale are sold via own proprietary stores operating on the marketplaces, to a ‘marketplace business model’, where the Group provides the selling services to the sellers of goods, earning the success fees and listing fees for these services.

The element of the revenue generating activity which is a negative amount being an excess of the Costs of Smart!’ deliveries over the subscription fee earned by Allegro acting as an agent in arranging deliveries is presented as an expense in “Cost of delivery” in operating expenses in the statement of comprehensive income.

The disaggregation of revenue from contract with customers is presented below:

01.01–31.12.2024	Allegro	Ceneo	Mall	Allegro Interna- tional	Other	Elimina- tions	Total
Marketplace revenue	7,340,852	—	34,968	111,094	59,709	(9,032)	7,537,591
Price comparison revenue	—	293,180	—	—	—	(57,841)	235,339
Advertising revenue	1,029,518	49,562	5,260	23,496	—	(19,571)	1,088,265
Retail revenue	448,578	—	1,243,766	128	82	(23,086)	1,669,467
Logistic Service Revenue	137,644	—	118,299	27,905	—	(50,217)	233,631
Other revenue	91,701	448	59,920	2,786	3,342	(101,259)	56,939
Revenue	9,048,293	343,190	1,462,213	165,409	63,133	(261,007)	10,821,231

01.01–31.12.2023	Allegro	Ceneo	Mall	Allegro Interna- tional	Other	Elimina- tions	Total
Marketplace revenue	6,162,008	—	70,583	43,730	57,357	(6,149)	6,327,529
Price comparison revenue	—	253,301	—	—	—	(45,406)	207,895
Advertising revenue	781,942	51,212	10,618	5,062	—	(15,433)	833,401
Retail revenue	486,092	—	2,116,082	—	106	(3,509)	2,598,771
Logistic Service Revenue	53,680	—	93,241	7,343	—	(13,723)	140,541
Other revenue	103,291	1,365	34,755	5	4,403	(66,639)	77,180
Revenue	7,587,013	305,878	2,325,279	56,140	61,866	(150,859)	10,185,317

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

01.01–31.12.2024 Timing of revenue recognition:	Allegro	Ceneo	Mall	Allegro Interna- tional	Other	Elimina- tions	Total
At a point in time (incl. success fee)	7,471,503	244,067	1,456,953	113,599	63,133	(137,883)	9,211,373
Over time	1,576,790	99,123	5,260	51,810	—	(123,125)	1,609,858
Revenue	9,048,293	343,190	1,462,213	165,409	63,133	(261,007)	10,821,231

01.01–31.12.2023 Timing of revenue recognition:	Allegro	Ceneo	Mall	Allegro Interna- tional	Other	Elimina- tions	Total
At a point in time (incl. success fee)	6,252,260	254,666	2,308,280	56,140	61,866	(133,090)	8,800,122
Over time	1,334,753	51,212	16,999	—	—	(17,769)	1,385,195
Revenue	7,587,013	305,878	2,325,279	56,140	61,866	(150,859)	10,185,317

The Group has a dispersed customer base – no single customer generates more than 10% of revenue.

10.3
Contract assets and liabilities

The Group has recognised the following revenue-related contractual liabilities:

	31.12.2024	31.12.2023
Smart! program deferred income	131,177	122,298
Listing and promotional deferred income	10,097	9,686
Other	34,277	42,107
Total	175,551	174,091

Contract liabilities are presented in trade and other liabilities.

There were no significant contract assets in 2024 and 2023.

SIGNIFICANT CHANGES IN CONTRACT
ASSETS AND LIABILITIES

There were no significant changes in contract liabilities in the current period resulting from other transactions than the recognition of the subscription fees from buyers and recognition of revenue when the services are provided.

REVENUE RECOGNISED IN RELATION TO
CONTRACT LIABILITIES

Revenue of PLN 122,298 was recognised in the period from 1 January to 31 December 2024 (2023: PLN 93,279) from the Smart! program contract liability (impacted line item “Cost of delivery” in Statement of comprehensive income) and PLN 9,686 from listing and promotional deferred income (2023: PLN 9,206) from the amounts that were included in the contract liability balance at the beginning of the period.

TRANSACTION PRICE ALLOCATED
TO UNSATISFIED PERFORMANCE
OBLIGATIONS

All contracts are concluded for periods of the expected original duration of one year or less. As permitted under IFRS15, the entity does not disclose the transaction price allocated to these unsatisfied or partially unsatisfied contracts when it expects to recognise such amounts as revenue.

ASSETS RECOGNISED FROM COSTS TO
OBTAIN AND FULFIL A CONTRACT

There were no assets to obtain or fulfil a contract in 2024 and 2023.

10.4
Refund liabilities

The value of refund liabilities at the balance sheet date was:

	31.12.2024	31.12.2023
Allecoins customer loyalty program ^[1]	23,983	21,690
Refunds ^[2]	20,204	26,567
Advertising revenue retrospective bonuses ^[3]	4,558	7,842
Allegro Protect ^[4]	13,983	8,893
Total	62,728	64,992

[1] **Allecoins customer loyalty program** – the Allegro coins program was introduced in January 2017. More information about the program is provided in the note 10.1.

[2] **Refunds** – this position includes commission refunds, refunds for goods sold on marketplace (1P model) and other refunds. Every buyer has the right to return a purchased product to the seller, in which case the Group is obliged to refund the commission for a cancelled transaction or entire value of transaction in case of retail revenue. At the end of each reporting period the Group adjusts the transaction revenue for the expected returns and recognises a provision for returns of success fee and goods sold. Refund commission liability represents the amount of consideration that the Group expects to repay to sellers (marketplace revenue) or buyers (retail revenue) using the expected value method with corresponding adjustment to revenue. In addition, the Group recognises a corresponding asset representing the right to receive goods in return as other receivables.

[3] **Advertising retrospective bonuses** – the Group pays out retro-bonuses to media houses which promote ads on web pages. The estimated discounts are recognised as refund liability. Bonuses are paid after reaching agreed levels of annual spending by the media house.

[4] **Allegro Protect refund** – the Group commits to refund the buyer up to PLN 20,000 for unsuccessful purchases made on the Allegro or Allegro Lokalnie platform, following its own internal positive decision under the buyer protection program. This refund policy applies to the buyers in relation to which Allegro acts as an agent and also when Allegro acts as a principal. The Allegro Protect program where Allegro acts as a principal in relation to the goods purchased by the buyers is not an insurance contract based on the mandatory exemption in IFRS 17 par 7(a); also the Allegro Protect Program where Allegro acts as an agent, was judged not to be insurance contract due to the fact that Allegro has full discretion in deciding which claim will be refunded and to what extent (ie the refunds are voluntary. The estimated provision is recognised as refund liability.

The refund liabilities recognised as at opening balances of each reporting period were settled at amounts which are materially consistent with the amounts recognised.

Refund liabilities are presented in trade and other liabilities within current liabilities.

10.5
Significant judgment on the accounting of Smart! program

In developing its revenue accounting policies to reflect the requirements of IFRS 15 on revenue accounting, the Management considered whether the judgements used result in its accounting presentation best reflecting the economic substance of the sales transactions and incentive programs related to the marketplace. The Management identified two separate groups of contracts – contracts with sellers and contracts with buyers (Smart! contracts) that produce separate revenue streams and as a result the buyer and the seller should be considered as separate customers. The Smart! program leads to a distinct revenue stream where Allegro provides a service – arranging (and paying) for deliveries in exchange for a subscription fee from the Smart! subscriber. The transaction price under the Smart! contract is allocated only to the performance obligation resulting from the Smart! contract, and the transaction price under the contract with the seller is allocated only to the performance obligation resulting from the contract with the seller as these are separate contracts which do not meet the criteria for combination as they are entered into independently with different parties and at different times.

Therefore there is no reallocation of the transaction price between these contracts irrespective of the fact that these contracts are economically linked.

In Smart! program arrangements Allegro acts on deliveries as both: agent or principal depending on the contractual terms of the transaction, in particular whether the Group has a primary responsibility for the goods deliveries. The rationale for this judgement was described in note 10.1.

Further, most Smart! contracts with buyers result in a loss (a negative margin) as delivery costs exceed the subscription fee on an individual Smart! contract level. Management believes that under the agent model, the presentation of the negative margin (i.e. the excess of the delivery costs over the subscription fees) from Smart! contracts as “Cost of delivery” in the operating expenses is most appropriate as the business purpose of the Smart! program is to make its marketplace more attractive compared to competition, to attract buyers and to boost sales on its marketplace, so the excess costs of the Smart! program are in substance a promotional activity and should be presented as an expense.

11.
Financial income and financial costs

	01.01–31.12.2024	01.01–31.12.2023
Valuation of financial instruments	294	—
Interest from deposits	133,362	51,813
Other financial income	1,922	22,438
Financial income	135,578	74,251
Interest paid and payable for financial liabilities	(505,006)	(544,863)
Result on interest rate hedging	104,809	219,845
Remeasurement of borrowings	5,416	76,097
Interest on leases	(26,755)	(28,952)
Revolving facility availability fee	(7,636)	(6,476)
Net exchange losses on foreign currency transactions	(32,394)	(73,349)
Other financial costs	(17,691)	(6,505)
Financial costs	(479,255)	(364,203)
Net financial costs	(343,677)	(289,952)

The decrease in the Interest paid and payable for financial liabilities is driven by decrease in both the benchmark rate WIBOR and financing margin following reductions in the Group's leverage. Furthermore, the interest paid on borrowings was reduced by completing a refinancing transaction in November 2023 that resulted in a decrease of the principal amount at PLN 242,500. Additionally, in December 2024, the Group voluntarily repaid PLN 300,000 of Additional Term Facility. The impact of these repayments is presented as remeasurement of borrowings (more information in note 23).

The remeasurement of borrowings reflects the improved leverage ratio of the Group, which by effect of the terms of the binding contract, result in the lower margin and decrease in the carrying value of the existing borrowings valued at amortised cost.

The gain from settling fixed-to-floating interest rate swap contracts declined after the expiration of highly profitable agreements signed during the COVID-19 pandemic, which ended in June 2024.

The reduced losses on foreign currency transactions resulted from lower balances denominated in currencies different from the functional currencies of the entities in the Group.

The main reason for the increase in financial income generated from interest on deposits was the higher average balance of cash and cash equivalents during 2024 compared to 2023.

12.
Income tax

Income tax for the year comprises current and deferred taxation. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or directly in equity, respectively.

The management 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.

The majority of the Group's taxable income is generated in Poland. The CIT rates applicable in each of the countries where the Group has legal entities are set out below:

Country	Tax rate	
	01.01–31.12.2024	01.01–31.12.2023
Poland	19.00%	19.00%
Luxembourg	24.94%	24.94%
Czech Republic	21.00%	19.00%
Slovenia	22.00%	19.00%
Slovakia	21.00%	21.00%
Hungary	9.00%	9.00%
Croatia	18.00%	18.00%

12.1
Income tax expense

	01.01–31.12.2024	01.01–31.12.2023
Current income tax on profits	(432,962)	(373,681)
Adjustments for current tax of prior periods	(25,757)	13,147
(Increase)/Decrease in net deferred tax liability	49,900	144,423
Income tax expense	(408,819)	(216,111)

12.2
Significant estimates

In the light of the General Anti-Abuse Rule (“GAAR”), aimed at preventing the formation and use of artificial legal structures created to avoid paying taxes, the Group conducted an overall analysis of its tax situation in order to identify and evaluate transactions and operations that could be subject to GAAR, considering the effect on deferred tax, the tax value of assets and tax risk provisions.

In the opinion of the Management, the analysis confirmed that current and deferred tax amounts are properly stated. Nevertheless, the Group is of the opinion that an inherent feature of GAAR is uncertainty about the Group's interpretation of tax law regulations, which can affect the ability to realise deferred income tax assets in future periods and result in the payment of additional unaccrued tax for prior periods. These rules are applicable to entities operating on territories of Poland, the Czech Republic, Slovenia and Slovakia.

Tax authorities may inspect accounting books and tax settlements within five to ten years (dependent on tax jurisdiction and relevant circumstances) of the end of the year in which tax returns are filed and they may levy additional tax, including fines and interest, on the Group. The Group conducts an overall analysis of its tax situation in order to identify and evaluate any transaction and operations that might represent risk from an Uncertain Tax Position, as defined in IFRIC 23.



12.3
Reconciliation of income tax expense
to tax paid and payable

	01.01–31.12.2024	01.01–31.12.2023
Profit from continuing operations before income tax expense	1,443,380	500,169
Tax (payable)/recoverable at the Polish tax rate of 19%	(274,242)	(95,032)
Tax effect of amounts which are not deductible in calculating taxable income:		
Non-taxable income/(Non-deductible expenses)	743	(33,391)
Unrecognised deferred asset on tax losses	(96,534)	(94,911)
Effect of foreign tax rates and regulations	(4,469)	4,655
Adjustments for current tax of prior periods	(25,757)	13,147
Change in tax rate	(8,560)	(10,579)
Income tax expense	(408,819)	(216,111)

‘Effect of foreign tax rates and regulations’ represents the effect of different tax rates used in Poland and in other Group countries.

Effective 1 January 2024, the corporate income tax rate in the Czech Republic has been increased from 19% to 21% and in Slovenia from 19% to 22%, resulting in recalculation of deferred tax liabilities for entities operating within the country. The impact of this adjustment was reflected as at 31 December 2023 in the ‘change in tax rate’ line item.

12.4
Amounts recognised directly in other comprehensive
income

The deferred tax relating to other comprehensive income recognised directly in other comprehensive income amounted to PLN 14,711 income in 2024 and to PLN 57,862 income in 2023.

12.5
Tax losses

The total cumulative tax losses carried forward as at 31 December 2024 and 31 December 2023 are presented in the table below.

The Group concluded that it is not likely to generate future taxable income during the period in which these tax losses may be utilized.

Last period in which tax losses can be utilised	31.12.2024	31.12.2023
2024	—	67,105
2025	151,758	154,724
2026	76,553	78,162
2027	414,081	442,459
2028	317,532	347,370
2029	389,390	—
2030	7,212	4,923
2034	171	171
2035	266	266
2036	172	172
2037	290,514	290,514
2038	37,555	37,555
2039	12,113	12,113
2040	5,270	5,270
2041	24,257	—
Never expire	194,071	155,584
Total tax losses carried forward for which no deferred tax asset was recognised	1,920,915	1,596,388

The differences in the amounts in previous year are due to the fact that in the Consolidated Financial Statements for 2023, the Group presented only tax losses related to Mall Segment.

12.6
Other

No deferred tax liability is recognised on temporary differences of PLN 1,592 (2023: PLN 3,113) relating to the unremitted earnings of subsidiaries, as unremitted earnings are not taxable when paid.

12.7
Pillar Two

The Group is within the scope of the EU Pillar Two rules, with its ultimate parent entity being a Luxembourg tax resident company. The Group therefore will be required to calculate its GloBE effective tax rate for each jurisdiction where it operates and will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. Fiscal 2024 is the first fiscal year for which the EU Pillar Two rules apply, with any tax due being payable during 2026.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. With the assistance of an external advisor, the Group has significantly progressed with its assessment of the exposure to the Pillar Two legislation, in all jurisdictions where it is present.

The assessment of the potential exposure to Pillar Two income taxes is based on financial statements available for the constituent entities in the Group. Based on preliminary testing under the OECD Transitional Safe Harbour Rules, the Group expects that it could benefit from such safe harbour rules, meaning that no additional taxes are expected to be due under the Pillar Two rules in all jurisdictions where it operates with the exception of Slovakia. In Slovakia the criteria for safe harbour rules were not met, hence information required for top-up tax assessment is still being gathered and, therefore, the assessment is not yet complete. However, considering the relatively small proportion of the Group's operations in Slovakia, its share of profit before tax and considering various GloBE adjustments, it is expected that any top-up tax would be insignificant.

The Group will continue to monitor and analysis the development of the Pillar Two rules in each of the covered jurisdictions and the analysis will be updated accordingly.

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 years ended 31 December 2024 and 31 December 2023 were:

	01.01–31.12.2024	01.01–31.12.2023
Net profit attributable to equity holders of the Parent Company	1,034,560,699	284,057,748
Profit/ (Loss) for ordinary shareholders	1,034,560,699	284,057,748
Average number of ordinary shares	1,056,013,682	1,056,517,432
Profit/ (Loss) per ordinary share (basic)	0.98	0.27
Effect of diluting the number of ordinary shares	6,067,642	2,914,835
Number of ordinary shares shown for the purpose of calculating diluted earnings per share	1,062,081,324	1,059,432,267
Profit/ (Loss) per ordinary share (diluted)	0.97	0.27



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

At the beginning of the current period, the ordinary shares issued by the Parent stood at 1,056,904,853 and for the purpose of calculating the Earnings per Share was adjusted by 2,242,266 treasury shares held by the Group.

In April 2024 the Group distributed 2,111,752 units to employees upon the next vesting date of Allegro Incentive Plan.

In November 2024 the Group announced a share buyback program, aimed to satisfy awards granted under the Allegro Incentive Plan. The transactions took place between 2 and 6 December 2024 and resulted in acquisition of 3,473,726 own shares.

As a result of the above transactions, at 31 December 2024 the Group was in possession of 3,604,240 Treasury Shares that for the purpose of basic earnings per share calculation decreased ordinary shares of the Parent.

At the end of the period the ordinary shares issued by the Parent stood at 1,056,904,853 and for the purpose of calculating the Earnings per Share were decreased by 3,604,240 treasury shares.

After adjusting the time weighted average number of treasury shares held by the company from the 1,056,904,853 ordinary shares outstanding for the entire twelve month period, the average number of ordinary shares outstanding for the purpose of calculating basic Earnings per share was 1,056,013,682.

The dilutive item presented in the table above refers to the RSU and PSU units granted as part of the AIP program.

RSU are treated as a non-performance share based payment award and are included in computing diluted EPS if the effect is dilutive (i.e. the shares will be issued for no consideration). RSU has a dilutive impact on the EPS calculation in so far as they are expected to result in the issuance of ordinary shares for less than the average market price of ordinary shares during their vesting period.

PSU are performance-related share based payments and therefore are treated as contingently issuable shares. The diluted EPS computation includes those shares that would be issued under the terms of the contingency, based on the current status of conditions, as if the end of the reporting period was the end of the contingency period. The PSU variant of the AIP program has a dilutive effect on the EPS calculation for the period ended 31 December 2024 and 31 December 2023 as the performance conditions required for delivery of shares to the program participant have been met.



NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

14. Intangible assets

GOODWILL

Goodwill arises on the acquisition of business undertakings. Goodwill is not amortised but tested for impairment annually or more frequently, if there is objective evidence of impairment. For the purposes of impairment testing, goodwill is allocated to cash-generating units which are expected to benefit from the synergies of business combination. Impairment loss is recognised when the carrying amount of a cash-generating unit to which goodwill is allocated is higher than its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and the value in use (more information in note 32.1).

SOFTWARE

Separately purchased software is initially recognised at cost, or at fair value measured at acquisition if recognised on the business combination. Subsequently, these intangible assets are measured at cost less accumulated amortisation and less accumulated impairment, if any. Most of the software have a limited useful life up to 10 years. Amortisation is calculated on a straight line basis in order to spread the cost over the estimated useful life

The following software was acquired as a result of the business combination and is amortised:

Software	Date of acquisition	Estimated useful economic life
Allegro Platform	18 January 2017	10 years
Ceneo Platform	18 January 2017	10 years
eBilet	19 April 2019	15 years
Opennet	27 October 2020	15 years

TRADEMARKS AND DOMAINS

Separately purchased trademarks and domains are initially recognised at cost, or at fair value using the Royalty Relief Method if recognised on the business combination. Trademarks are measured at historical cost (or initially at fair value) less amortisation and impairment losses.

Trademarks with finite useful life are amortised on a straight line basis for their estimated useful life. Trademarks with indefinite useful life are not amortised but tested for impairment annually.

As at 31 December 2024 the major trademarks and domains, with the corresponding useful lives were as follows:

Trademark and Domain	Date of acquisition	Estimated useful economic life
Allegro	18 January 2017	indefinite
Ceneo	18 January 2017	10 years
eBilet	19 April 2019	15 years
Opennet	27 October 2020	15 years
Internet Mall d o.o.	1 April 2022	3 years
Mimovrste	1 April 2022	3 years
WE DO	1 April 2022	3 years

The Allegro trademark and domain, presented in the table above, are individually material assets with the carrying amount of PLN 778,060 at both 31 December 2024 and 31 December 2023. In the previous reporting period the Group reassessed the useful life of Allegro.pl domain and trademark from finite to indefinite period (more information in note 32).

CUSTOMER RELATIONSHIPS

Customer relationships arising from business combinations are measured initially at fair value with the Multi-Period Excess Earnings method ("MPEE") and their carrying value is subsequently decreased by amortisation and impairment.

Customer relationships are amortised on a straight line basis. As at 31 December 2024 the Group owned the following intangibles with the corresponding useful lives:

Customer relationships	Date of acquisition	Estimated useful economic life
Allegro	18 January 2017	20 years
Ceneo	18 January 2017	20 years
eBilet	19 April 2019	15 years
Opennet	27 October 2020	15 years
Mimovrste	1 April 2022	20 years
Allegro.sk	1 April 2022 ^[1]	20 years
Allegro.cz	1 April 2022 ^[1]	20 years

[1] reallocated from Mall (see note 32.2)

Customer relationships recognised on Allegro.pl platform, presented in the table above, are individually material assets with the carrying amount of PLN 1,744,679 as of 31 December 2024 (PLN 1,814,044 as of 2023).

RESEARCH AND DEVELOPMENT COSTS

Although the Group does not have any department dedicated to research and development, such activities are performed throughout the organisation. The Group develops its platform and introduces new projects in order to satisfy the needs of its buyers and sellers. Development expenditure that meets the capitalisation criteria is recognised as intangible assets. Research and development expenditure that does not meet the capitalisation criteria is recognised as an expense as incurred. The Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The Group is not able to estimate the value of research and development expenditures recognised through profit or loss because tracking of costs starts after formal acceptance of a specific project.

Development work is the practical application of research findings or other knowledge to plan or design the production of new or substantially improved materials, devices, products, technological processes, systems or services. The Group's development costs relate to 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.

The value of development work is measured based on expenditures incurred, in particular staff costs and other costs and related charges for the employees involved in a project, costs of contractors, costs of third party services and other costs of the project.

The completion of each project is confirmed with an acceptance report, is capitalised in the Group's intangible assets and amortised on a straight line basis for 4-7 years. Unsuccessful developments are expensed on a one-off basis at the time a decision is made to terminate the project.

Software under development is tested annually for impairment.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with an indefinite useful life and goodwill are not subject to amortisation but tested annually for impairment. Amortised assets are tested for impairment whenever there is any evidence that their carrying amount may not be recoverable. Impairment charges are made at the excess of the carrying amount of a given asset over its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. For the purposes of impairment assessment, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash generating units).

Non-financial assets, other than goodwill, are reviewed for indication of a possible reversal of the impairment charge at each reporting period end date.

On 31 December 2024 and on 31 December 2023 the Group performed the annual goodwill impairment testing. As a result, in 2023 an impairment loss of intangible assets in the amount PLN 629,332 was recognised in reference to Mall North and CZC CGUs (refer to note 32). The impairment loss was allocated first to goodwill and then pro rata to other intangible assets (software, trademark and customer relationship).

The annual goodwill impairment tests for 2024 indicated no impairments.

	Goodwill	Customer relationships	Trademarks and other rights	Computer software and licences	Software development costs	Software under development	Other	Total
Cost at 01.01.2024	10,883,502	3,904,326	1,782,880	1,366,033	1,059,974	216,490	91,295	19,304,501
Additions	—	—	8,930	15,680	—	414,903	44,611	484,124
Disposals	—	—	—	(98)	—	—	(88)	(186)
Transfer from development	—	—	134	522	378,764	(378,804)	(615)	—
Exchange differences	(71,808)	(16,908)	(8,222)	(10,228)	(866)	(5,838)	(178)	(114,048)
Cost as at 31.12.2024	10,811,694	3,887,418	1,783,722	1,371,907	1,437,872	246,751	135,025	19,674,391
Accumulated amortisation as at 01.01.2024	—	(1,097,798)	(778,058)	(847,950)	(449,077)	—	(66,982)	(3,239,865)
Amortisation charge	—	(283,171)	(34,128)	(119,805)	(252,255)	—	(22,538)	(711,897)
Disposal	—	—	—	—	—	—	15	16
Exchange differences	—	3,378	3,704	5,009	840	—	10	12,941
Accumulated amortisation as at 31.12.2024	—	(1,377,591)	(808,482)	(962,746)	(700,492)	—	(89,495)	(3,938,806)
Impairment losses as at 01.01.2024	(2,067,362)	(312,211)	(116,170)	(176,249)	(274)	(3,262)	—	(2,675,528)
Impairment loss	—	—	—	3,369	—	—	—	3,369
Exchange differences	71,808	9,634	3,899	4,908	22	42	—	90,313
Impairment losses as at 31.12.2024	(1,995,554)	(302,577)	(112,271)	(167,972)	(252)	(3,220)	—	(2,581,847)
Carrying amount as at 31.12.2024	8,816,140	2,207,250	862,970	241,189	737,127	243,531	45,530	13,153,738

	Goodwill	Customer relationships	Trademarks and other rights	Computer software and licences	Software development costs	Software under development	Other	Total
Cost as at 01.01.2023	11,113,837	4,000,525	1,808,978	1,359,335	753,732	185,052	73,019	19,294,479
Additions	—	—	—	9,171	—	371,975	20,282	401,428
Disposals	—	—	—	(2,986)	—	—	(633)	(3,619)
Transfer from development	—	—	—	32,128	306,242	(336,670)	(1,700)	—
Exchange differences	(230,335)	(96,199)	(26,098)	(28,765)	—	(3,867)	(186)	(385,450)
Other movements	—	—	—	(2,850)	—	—	513	(2,337)
Cost at 31.12.2023	10,883,502	3,904,326	1,782,880	1,366,033	1,059,974	216,490	91,295	19,304,501
Accumulated amortisation as at 01.01.2023	—	(906,280)	(645,967)	(656,695)	(267,797)	—	(64,492)	(2,541,231)
Amortisation charge	—	(198,722)	(141,907)	(188,207)	(181,280)	—	(19,920)	(730,037)
Disposal	—	—	—	889	—	—	633	1,523
Reclassification	—	7,204	9,816	7,964	—	—	35	25,019
Other movements	—	—	—	(11,901)	—	—	16,762	4,861
Accumulated amortisation as at 31.12.2023	—	(1,097,798)	(778,058)	(847,950)	(449,077)	—	(66,982)	(3,239,865)
Impairment losses as at 01.01.2023	(2,248,688)	—	—	—	(274)	(8,808)	—	(2,257,770)
Impairment loss	(30,574)	(312,211)	(116,170)	(177,312)	—	(1,614)	(2,634)	(640,515)
Disposals	—	—	—	—	—	7,160	2,634	9,794
Exchange differences	211,900	—	—	1,063	—	—	—	212,963
Impairment losses as at 31.12.2023	(2,067,362)	(312,211)	(116,170)	(176,249)	(274)	(3,262)	—	(2,675,528)
Carrying amount as at 31.12.2023	8,816,140	2,494,317	888,652	341,834	610,623	213,228	24,313	13,389,108

The Group did not capitalise any interest expense or exchange rate differences during the periods presented.



15.
Property, plant and equipment

Property, plant and equipment are carried at historical cost less depreciation and impairment losses. The historical cost includes expenses directly associated with the acquisition of assets. Depreciation of property, plant and equipment is calculated on a straight line basis in order to spread initial value less expected residual value over the period of useful life, which for individual classes of property, plant and equipment are as follows:

- | | |
|--------------------------------|------------|
| • Buildings and structures | 1-10 years |
| • Systems and network hardware | 2-20 years |
| • Warehouse Equipment | 2-10 years |
| • Automated Parcel Machines | 10 years |
| • Land (right of use asset) | 1-5 years |
| • Motor vehicles | 5-7 years |
| • Other | 2-5 years |

The residual value and useful life periods of property, plant and equipment are reviewed and adjusted if necessary at the end of each reporting period. In 2024, the Group reviewed its depreciation rates, and as a result of the analysis performed, the depreciation rates were adjusted to better reflect the expected useful lives of the assets. The implemented changes did not have a significant impact on the depreciation expense recognised in the statement of comprehensive income for the current period, and their impact on future periods was also assessed as immaterial.

Gains or losses arising from disposal of property, plant and equipment are determined by comparing the proceeds and the carrying amounts and are recognised in other operating income or expenses. In the current year there were no significant disposals recognised.

Right-of-use assets are amortised over the estimated length of the lease contract. The detailed information regarding the presentation of right-of-use assets is described in note 24.

	Buildings	Computers and office equipment	Warehouse Equipment	Automated Parcel Machines	Land	Other fixed assets	Assets under construction	Total
Cost as at 01.12.2024	834,042	389,645	140,975	236,268	113,181	5,986	10,278	1,730,376
Additions	31,103	52,150	7,306	100,967	59,232	681	6,928	258,367
Disposals	(97,993)	(22,738)	(9,457)	(419)	(605)	(2,039)	—	(133,250)
Transfer from assets under construction	432	1,591	2,117	2,679	—	—	(6,820)	—
Remeasurement of lease payments	38,318	636	14	—	6,645	(46)	—	45,567
Exchange differences	(5,767)	(1,227)	(2,959)	(275)	(161)	(31)	(149)	(10,571)
Reclassification	—	(30,772)	30,772	—	—	—	—	—
Other movements	—	—	—	—	—	—	—	—
Cost as at 31.12.2024	800,135	389,285	168,768	339,220	178,292	4,551	10,237	1,890,489
Accumulated depreciation as at 01.12.2024	(286,985)	(242,499)	(37,715)	(30,361)	(31,808)	(4,279)	—	(634,013)
Depreciation charge	(113,998)	(55,187)	(24,325)	(26,682)	(29,115)	(1,197)	—	(250,504)
Disposals	63,642	20,091	11,334	71	339	1,905	—	97,381
Exchange differences	2,192	369	1,021	7	12	89	—	3,691
Reclassification	—	12,865	(12,865)	—	—	—	—	—
Accumulated depreciation as at 31.12.2024	(335,149)	(264,361)	(62,550)	(56,965)	(60,572)	(3,482)	—	(783,446)
Impairment losses as at 01.12.2024	(9,569)	—	—	—	—	—	—	(9,204)
Impairment loss ^[1]	(50,555)	(1,247)	(33,127)	—	—	—	—	(84,928)
Disposals	3,472	—	—	—	—	—	—	3,472
Exchange differences	487	—	5,380	—	—	—	—	5,867
Impairment losses as at 31.12.2024	(56,165)	(1,247)	(27,747)	—	—	—	—	(84,793)
Carrying amount as at. 31.12.2024	408,821	123,677	78,471	282,255	117,720	1,069	10,237	1,022,250

[1] As at the reporting date, the Group has recognised impairment related to leasehold improvements and subleases of free office spaces. In addition the Group made changes in organisation of warehouses, as a result the warehouse equipment was fully impaired.

	Buildings	Computers and office equipment	Warehouse Equipment	Automated Parcel Machines	Land	Other fixed assets	Assets under construction	Total
Cost As at 01.01.2023	785,939	389,235	64,471	173,706	76,732	91,490	39,646	1,621,218
Additions	11,190	28,211	7,299	30,048	32,498	142	17,884	127,272
Disposals	(56,600)	(5,644)	(5,838)	(497)	(358)	(145)	—	(69,081)
Transfer from assets under construction	439	5,662	6,569	33,011	—	—	(45,682)	—
Remeasurement of lease payments	62,130	455	—	—	4,310	(26)	—	66,869
Exchange differences	32,481	(28,274)	(7,377)	—	—	(9,208)	(407)	(12,786)
Reclassification	—	—	76,378	—	—	(76,378)	—	—
Other movements	(1,537)	—	(527)	—	—	111	(1,163)	(3,116)
Cost As at 31.12.2023	834,042	389,645	140,975	236,268	113,181	5,986	10,278	1,730,376
Accumulated depreciation as at 01.01.2023	(216,722)	(180,034)	(7,299)	(10,389)	(12,423)	(16,246)	—	(443,479)
Depreciation charge	(120,226)	(60,014)	(22,596)	(20,024)	(19,560)	(1,656)	—	(244,077)
Depreciation of disposals	51,867	5,109	4,351	52	175	144	—	61,697
Exchange differences	(1,904)	(7,560)	1,788	—	—	(480)	—	(8,155)
Reclassification	—	—	(13,959)	—	—	13,959	—	—
Accumulated depreciation as at 31.12.2023	(286,985)	(242,499)	(37,715)	(30,361)	(31,808)	(4,279)	—	(634,013)
Impairment losses as at 01.01.2023	(3,153)	(3,727)	—	—	—	(1,983)	(365)	(8,863)
Impairment loss	(9,347)	—	—	—	—	—	—	(9,347)
Disposals	2,340	3,677	—	—	—	1,983	365	8,364
Exchange differences	591	50	—	—	—	—	—	641
Impairment losses as at 31.12.2023	(9,569)	—	—	—	—	—	—	(9,204)
Carrying amount as at. 31.12.2023	537,488	147,146	103,260	205,907	81,373	1,707	10,278	1,087,159

16.
Inventory

The value of the Group's inventory was as follows:

	31.12.2024	31.12.2023
Goods	189,680	320,569
Materials	531	299
Allowance for slow-moving goods	(15,621)	(20,714)
Total	174,590	300,154

The decline in inventory during 2024 is due to the transition of the Mall business from an independent 1P retailing model to trading at a smaller scale as a merchant over the Allegro marketplaces.

16.1
Assigning costs
to inventories

The goods are purchased for resale by Group's own proprietary stores via marketplace on the platforms (see revenue recognition policy in note 10.1).

Goods and materials are stated at the lower of cost and net realisable value. Inventories are determined using the first in, first out (FIFO) method. Cost of purchased inventory is determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

16.2
Amounts recognised
in profit or loss

In comparison to the previous year, the inventory write-off decreased by PLN 5,092 for the year ended 31 December 2024 and by PLN 526 for the year ended 31 December 2023.

Write-downs are charged to costs of goods sold in the statement of comprehensive income.

17.
Trade and other receivables

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

	31.12.2024	31.12.2023
Trade receivables, gross	256,648	994,605
Impairment of trade receivables	(38,117)	(86,615)
Trade receivables, net	218,531	907,990
Other receivables	106,744	123,208
VAT receivables	8,411	14,934
Tax receivables	18,345	32,210
Total	352,031	1,078,342

The Group's receivables comprise amounts due from companies and individuals and their concentration level is low. More than 74% of the Group trade and other receivables balance is due in Polish Zloty with the remainder mainly denominated in Czech Crowns or Euros.

In 2023 the Group began to introduce a fee deduction mechanism resulting in priority to draw the success fee earned on marketplace activities from the inflows that merchant receive from the buyer on the platform. Initially, this mechanism applied only to selected merchants and was fully expanded to include all merchants during 2024. This resulted in a significant decrease of trade receivables and a decrease of credit risk borne by the Group.

17.1
Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of the Group's business. They are generally due for settlement within 14 days. Trade receivables are recognised initially at the amount of consideration that is unconditional.

The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 33.2 Credit risk.

17.2
Classification as other receivables

'Other receivables' generally arise from transactions outside the Group's core operating activities. The balance of other receivables primarily relates to the sale of gift cards to contractors, which amounted to PLN 84,855 as at 31 December 2024. Upon selling the gift cards, the Group records restricted cash along with a corresponding liability representing

the Group's obligation to process payments on behalf of third parties when cardholders use the gift cards for purchases in marketplaces. For more details please refer to note 22.

Interest may be charged at commercial rates where terms of repayment exceed six months.

17.3
Classification as tax receivables

Tax receivables amounts are based on the pay and refund mechanism that entered into full force as of 1 January 2022. In the past Allegro, Ceneo and Allegro Pay were grossing up for withholding tax on their interest payments and remitting this tax to the tax authorities. In 2023 Allegro received a withholding tax refund from the Tax Authorities amounting to PLN 138,303 followed by the so-called preference / clearance opinion based on which Allegro does not have to apply the said mechanism for interest payments made in the period December 2023 – December 2026. Following the opinion, Allegro received

in 2024 the final refund of remitted withholding tax in the amount PLN 25,014. Similar opinion was also issued for Allegro Pay and based on this opinion Allegro Pay does not have to apply the pay and refund mechanism for the interest payments made in the period September 2024 – September 2027. The motion for refund in Allegro Pay (PLN 18,052) is pending. Ceneo did not apply for the clearance opinion as their debt has been paid in full. The withholding tax remitted to the tax office was however refunded to it in 2024 in the amount of PLN 300.

17.4
Fair value of trade and other receivables

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

17.5
Impairment and risk exposure

Information about impairment and the exposure to credit risk and interest rate risk is disclosed in note 33. Receivables outstanding as at the balance sheet date were subject to impairment provisions, in accordance with the Group's accounting policy.

The receivables impairment allowance was recognised as part of the net impairment losses on financial and contract assets in the statement of comprehensive income. In comparison to the previous year, the impairment provision decreased by PLN 48,499 for the year ended 31 December 2024 and by PLN 30,327 for the year ended 31 December 2023.

18.
Prepayments

The value of the Group's prepayments was as follows:

	31.12.2024	31.12.2023
Property, plant and equipment	5,383	—
Long term prepayments	5,383	—
Licences	28,596	26,864
Insurance	4,949	9,320
Technical support	5,443	9,689
Delivery Services	3,772	8,222
Lease deposits	—	1,855
Other	15,949	13,638
Short term prepayments	58,709	69,588
Total prepayments	64,092	69,588

Prepayments are made when the entity incurs costs before the period to which they relate or before it obtains the control over the asset. Prepayments are determined at the amount of costs attributable to subsequent reporting periods or at the amount of advance payment for the asset.

Aa at 31 December 2024 and 31 December 2023 the licenses represent payments for the software as a service.

19.
Consumer loans

Consumer loans represent loans granted to buyers on the Allegro platform. Loans are granted for 30 days without interest and instalment loans for between 3 and 30 months with an annualised interest rate that increased from 10.5% as of 31 December 2023 to 18.5% for half-year, and further decreased to 16.0% as of 31 December 2024. Furthermore, Smart! users may take 2-month zero interest installment loans.

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

CLASSIFICATION OF CONSUMER LOANS

The loans are initially recognised at fair value.

The Group classifies financial assets into the following categories:

- measured at amortised cost for 'held to collect' cash flows model, in which financial assets originated or acquired are held to maturity in order to collect contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI");
- measured at fair value through other comprehensive income for 'held to collect and sell' cash flows model, in which financial assets originated or acquired are held to maturity in order to collect contractual cash flows, where those cash flows represent solely payments of principal and interest ("SPPI"), but they may also be sold;
- measured at fair value through profit or loss for other than the "held to collect" or the "held to collect and sell" cash flows model.

BUSINESS MODEL

The Group operates a business model whereby it realises cash flows from its consumer loans mainly from the sale of these loans to its financing partners: Aion Bank S.A. and starting from March 2024, Banco Santander (sales of the principal amount of the loan only with the interest strip retained by the Group). Even though the Group collects the contractual cash flows while it holds these loans (before these loans are sold to Aion Bank and Banco Santander resulting in derecognition), the objective of such a business model is not achieved by both collecting contractual cash flows and selling financial assets as the collection of contractual cash flows is not integral to achieving the business model's objective; instead, it is incidental to it. The sold loans qualify for derecognition even when the Group functions as a collection agent, handling collections on behalf of the banks. Some of these loans may be prepaid before they are transferred to Aion Bank or Banco Santander, however it does not impact the Group's objectives in managing these loans.

Upon the origination of the consumer loans the Group cannot initially determine which loans will be sold. However, due to the significant volume of the loans that eventually are sold, the fair value through profit and loss model is applied to all the loans.

19.1
Consumer loans at fair value through profit and loss

The following table presents the consumer loans measured and recognised at fair value as at 31 December 2024 and 31 December 2023.

Consumer loans at FVTPL as at 01.01.2024	403,261
New consumer loans originated	10,842,489
Fair value measurement (recognised in other operating income)	99,377
Consumer loans derecognised (repaid)	(3,443,761)
Consumer loans derecognised (sold)	(7,398,481)
Consumer loans at FVTPL as at 31.12.2024	502,885
Consumer loans at FVTPL as at 01.01.2023	209,335
Reclassified from amortised cost (change in business model)	157,540
Consumer loans at FVTPL as at 01.01.2023	366,875
New consumer loans originated	8,323,922
Fair value measurement (recognised in other operating income)	65,243
Consumer loans derecognised (repaid)	(3,604,149)
Consumer loans derecognised (sold)	(4,748,630)
Consumer loans at FVTPL as at 31.12.2023	403,261

In 2024 the Group executed multiple consumer loan sale transactions. In effect the risk, rewards and control were transferred to the financing partner with the relevant consumer loans being derecognised.

In relation to the consumer loans being subject to sale transaction to Banco Santander, only the principal cash flows of the loans originated by Allegro Pay are transferred to the financing partner (resulting in derecognition of this portion of an asset), whilst the right to interest arising on those cash-flows is retained by the Group and presented in line 'consumer loans' (as of 31 December 2024: PLN 2,135). Allegro continues to collect the cash flows from the principal amounts of loans transferred to Banco Santander under a servicing arrangement; the liability resulting from the obligation towards the Banco Santander to pass-through the cash-flows that was collected by the Group as part of the servicing arrangement is presented in the Note 27.

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

The majority of consumer loans are sold to the financing partner in the ordinary course of business, usually within 1 month from the origination date. The gain/loss generated on the sales transaction (derecognition) is minimal, as the pricing method agreed on the contractual basis does not materially differ from the fair value of the financial assets being subject to the sale transaction.

At each reporting period, the Group compares the fair value of consumer loans against the expected price that would have been received from the financing partner if the sale transactions had occurred at the end of the reporting period. The outcome of this analysis proves this discrepancy not to be material.

The majority of the consumer loans held by the Group as of 31 December 2024 have been sold to the financing partner, since year-end.

There was no transfer into or out of Level 3 of the fair value hierarchy in the year ended 31 December 2024 and comparatives.

19.2
The disaggregation of Other operating income

The disaggregation of other operating income is presented in the table below. 'Fair value measurement' relates to the valuation of consumer loans, while 'Other' primarily comprises income from expired giftcards and subleases.

	31.12.2024	31.12.2023
Fair value measurement	99,377	65,243
Other	19,347	—
Other operating income	118,724	65,243

20.
Other financial assets

The value of the Group's other financial assets was as follows:

	31.12.2024	31.12.2023
Mutual fund units	25,289	—
Other	4,378	6,629
Total	29,667	6,629

During the reporting period, the Group purchased units in money market funds that invest in short-term debt instruments such as bonds, government bonds or certificates of deposit. As at 31 December 2024 the value of the fund units amounted to PLN 25,289 and comprised the value of the units acquired on the date of purchase in the amount of PLN 25,000 and its valuation increase of PLN 289 (the gain is recognised in the line item 'Valuation of financial instruments' in 'Financial income').

From the holder's perspective, the Group classifies investments in money market funds as debt instruments, as they are puttable, whereby the holder can sell its holding back to the money market fund in return for cash.

IFRS 9 requires entities to consider whether the cash flows on debt investments are solely payments of principal and interest (SPPI) and whether the business model for holding those assets is for the collection of cash flows, sale of the assets, or a combination of the two. The money market fund's (MMF) net asset value does not represent SPPI, as it includes gains/losses from the sale of the underlying investments. Consequently investments in MMFs which are puttable back to the MMF are puttable at an amount which is not SPPI. Therefore, the Group measures investments in money market funds at fair value through profit or loss, with changes in fair value recognised in profit and loss as they arise. The measurement of the aforementioned instruments falls within Level 2 of the fair value hierarchy.

For the purposes of the Consolidated Cash Flows, the Group presents the purchase of investments in flows from investing activities. Following analysis, the Group concluded that the purchase of these investments does not meet the definition of cash and cash equivalents, as at the time of the initial investment the cash amount that will be received on the redemption is unknown.

21.
Cash and cash equivalents

At the balance sheet date Cash and cash equivalents comprised:

	31.12.2024	31.12.2023
Cash at bank	161,138	526,354
Bank deposits	3,601,793	1,321,901
Cash equivalents and cash held in the national payment institutions	296,011	200,867
Total	4,058,943	2,049,122

21.1
Classification as cash at bank

Cash at bank comprises cash on demand allocated in banks.

21.2
Classification as bank deposits

Bank deposits are deposits paying interests at fixed negotiated rates with maturity of three months or less from the date of placing the deposit and are repayable within 24 hours' notice.

21.3
Classification as cash equivalents and cash held in wallets in the national payment institutions

Cash equivalents comprise payments in transit made by the Group's customers via electronic payment channels and cash held in electronic wallets operated by payment service providers.

The Group has determined that funds held by the Group in electronic wallets meet the definition of cash equivalents, as they are held in the national payment institutions (similar to the financial institutions) and can be used or withdrawn, at any time, immediately (within 1 or few working days) without any penalties. Thus, in economic substance, the funds held in a wallet are a demand deposit.

22.
Restricted cash

The value of the Group's restricted cash was as follows:

	31.12.2024	31.12.2023
Restricted cash related to regulatory proceedings	10,741	11,708
Long term cash restricted	10,741	11,708
Restricted cash related to prepaid cards	63,644	—
Other	392	8,379
Short term cash restricted	64,036	8,379
Total restricted cash	74,777	20,087

Restricted cash would normally be classified as current, unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group presents long-term restricted cash since these funds are subject to regulatory restrictions and therefore are not expected to be available for general use by the Group within 12 months after the reporting period.

The Group issues prepaid cards ('gift cards') to end buyers in exchange for cash consideration. These cards can be used as a payment method on Allegro marketplaces. Starting from 2024, a new business model was introduced, under which gift cards are issued by Allegro Finance, an entity authorised to issue payment instruments under the Act on Payment Services. In compliance with regulations, cash received from third parties for the sale of gift cards cannot be used by the Group for any purpose other than paying merchants when the cardholder uses the card for purchases on Allegro marketplaces. This restriction applies until the gift card expires. As a result, the cash received from third parties for gift card purchases is reported as 'restricted cash' in the Consolidated Financial Statements. Accordingly, these amounts are presented separately from the Group's 'cash and cash equivalents' while the gift card remains active and unused. Since gift cards have a one-year expiration period, they are classified as a current asset.

The accounting policies for gift cards is out of scope of IFRS15 as selling the gift cards does not result from the contract with merchants and the Group does not deliver to card holder any goods or services, but rather has an obligation to pay cash to a merchant when the card holders uses the card on its purchases.

23.
Borrowings

At the balance sheet date borrowings comprised:

	31.12.2024	31.12.2023
Long-term	5,788,158	6,064,785
<i>Loans</i>	<i>5,788,158</i>	<i>6,064,785</i>
Short-term	—	2,702
<i>Loans</i>	<i>—</i>	<i>2,702</i>
Total borrowings	5,788,158	6,067,487

The table below shows the details of the Group indebtedness as of 31 December 2024 and 31 December 2023 respectively:

Lenders	Type	Currency	Date of initial agreement	Interest rate	Nominal value	Carrying amount as at 31.12.2024	Due date	Covenants
Banks	Term loan B	PLN	29 September 2020	WIBOR 3M+ margin ratchet	5,257,000	5,100,844	14 October 2027	Net leverage shall not exceed a ratio indicated in the agreement
	Additional Term facility	PLN	9 December 2021	WIBOR 3M+ margin ratchet	700,000	687,314	14 October 2027	

Lenders	Type	Currency	Date of initial agreement	Interest rate	Nominal value	Carrying amount as at 31.12.2023	Due date	Covenants
Banks	Term loan B	PLN	29 September 2020	WIBOR 3M+ margin ratchet	5,257,000	5,080,663	14 October 2027	Net leverage shall not exceed a ratio indicated in the agreement
	Additional Term facility	PLN	9 December 2021	WIBOR 3M+ margin ratchet	1,000,000	986,824	14 October 2027	

The principal amounts of the Group's loans are repayable as a lump sum on the due date. Loan interest is paid at an annual rate equal to WIBOR and a margin on a quarterly basis.

As of 31 December 2024 and 2023 the Group had the following undrawn revolving credit facilities:

Lenders	Type	Cur- rency	Date of initial agreement	Interest rate	Nominal value	Carrying amount as at 31.12.2024	Covenants
Banks	Original Revolving Credit Facility	PLN	29 September 2020	WIBOR 3M+ margin ratchet	500,000	undrawn	Net leve- rage shall not exceed a ratio indi- cated in the agreement
	Additional Revolving Facility	PLN	3 March 2022	WIBOR 3M+ margin ratchet	500,000	undrawn	

Once repaid, the Revolving Credit Facilities may be redrawn up until 14 October 2027.

On 6 November 2023 the Group signed an annex and executed an extension of the maturity date to all credit facilities (including undrawn revolving facilities) in respect to a total principal amount of PLN 7,257,500 by 24 months to 14 October 2027 and concurrently made early prepayment in the amount of PLN 242,500. Originally, the facilities were scheduled to mature in October 2025. The early repayment was executed using the funds from the one of available revolving facilities that was drawn in November 2023 in the amount of PLN 245,000 and subsequently repaid on 29 December 2023. All other conditions of the credit facilities remain unchanged.

The refinancing transaction was accounted for as non-substantial modification of financial liability, as the underlying criteria for derecognition were not met. This resulted in 2023 in the recognition of PLN 76,097 non-cash adjustment to carrying value of borrowings, valued at amortised cost, recognised as financial income, arising mainly on deferral of the lump sum principal repayment by two years, offset with additional interest outflows during the extended period.

On 18 December 2024 the Group made voluntarily repayment of the Additional Term Loan in the amount of PLN 300,000 and recognised the gain of PLN 5,416 on voluntarily repayment (see Note 11).

23.1 Accounting policies

The borrowings are measured at amortised cost using the effective interest rate. Borrowing origination fees incurred in relation to the loans are included in the calculation of the effective interest rate. The periodic re-estimations of the cash flows arising from the changes in the floating interest rates (WIBOR) are accounted for through altering the effective interest rate of the loan. The changes to estimated cash flows coming from prepayments or changes in the loan margin are accounted for through recalculation of the amortised cost, and the adjustments are recognised in profit or loss as financial income or financial cost.

The fair values of borrowings (established using the 7.10% discount rate as at 31 December 2024 and 7.88% as at 31 December 2023) are not materially different to their carrying amounts, since the interest payable on those borrowings is close to current market rates (contractual rates reflect current market rates of interests applicable to such terms of similar instruments). All inputs significant to the fair value measurement are categorised within Level 2.

As at 31 December 2024 the Group was a party to seven swap contracts (as at 31 December 2023: eight swap contracts), designated as cash flow hedge, aiming to limit the exposure to interest rate fluctuations. (see note 33.1)

23.2 Compliance with loan covenants

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

The nature of covenants and the carrying amount of the borrowings with covenants are disclosed in the Note 34. Allegro.eu Group complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods and after the balance sheet date until the date of authorisation of these Consolidated Financial Statements for the issue. Further disclosure on the covenants is provided in the note 34.

23.3 Risk exposure

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 33.

24.
Leases

24.1
Amounts recognised in the statement
of comprehensive income

The carrying amount of right-of-use assets is amortised using the straight-line method. The Group depreciates the right to use the assets from the commencement of the lease agreement to the earlier of the end of the lease term or the end of the useful life. The estimated useful lives of right-of-use asset are as follow:

- Leased Buildings 1-10 years
- Leased Computers and office equipment 3-6 years
- Leased Motor vehicles 1-5 years
- Leased Land 1-5 years

Expenses incurred on leases recognised in the statement of income comprised:

	31.12.2024	31.12.2023
Depreciation and amortisation	(137,756)	(131,697)
Interest expenses	(26,755)	(28,952)
Short-term leases expenses	(204)	(296)
Total	(164,715)	(160,945)

24.2
Amounts recognised in the statement
of financial position

Changes in right-of-use assets during the financial year:

	Leased Buildings	Leased Computers and office equipment	Leased Motor vehicles	Leased Lands	Total
Cost as at 01.01.2024	674,968	48,932	4,076	113,183	841,158
Additions – new leases	20,507	536	653	59,235	80,931
Disposals ^[1]	(95,137)	(146)	(1,808)	(605)	(97,695)
Remeasurement of lease payments	38,318	650	(46)	6,645	45,567
Exchange differences	(1,889)	—	(132)	(159)	(2,179)
Cost as at 31.12.2024	636,767	49,972	2,743	178,299	867,782
Accumulated depreciation as at 01.01.2024	(249,728)	(24,166)	(2,866)	(31,808)	(308,566)
Depreciation charge	(94,749)	(12,897)	(995)	(29,115)	(137,756)
Disposal	60,806	138	1,675	339	62,958
Exchange differences	1,882	—	78	12	1,972
Accumulated depreciation as at 31.12.2024	(281,789)	(36,925)	(2,108)	(60,572)	(381,394)
Impairment losses as at 01.01.2024	(4,165)	—	—	—	(4,165)
Impairment charge	(9,443)	—	—	—	(9,443)
Disposals	3,551	—	—	—	3,551
Impairment losses as at 31.12.2024	(10,057)	—	—	—	(10,057)
Carrying amount as at 31.12.2024	344,921	13,047	634	117,727	476,329

[1] These amounts include the derecognition of right-of-use assets resulting from the sublease agreements.

	Leased Buildings	Leased Computers and office equipment	Leased Motor vehicles	Leased Lands	Total
Cost as at 01.01.2023	672,705	46,953	4,665	76,732	801,054
Additions – new leases	7,981	1,609	92	32,499	42,181
Disposals	(53,383)	(84)	(115)	(358)	(53,940)
Remeasurement of lease payments	62,130	455	(26)	4,310	66,869
Exchange differences	(14,337)	—	(382)	—	(14,719)
Other	(129)	—	(157)	—	(287)
Cost as at 31.12.2023	674,968	48,932	4,076	113,183	841,158
Accumulated depreciation as at 01.01.2023	(205,471)	(12,035)	(978)	(12,423)	(230,907)
Depreciation charge	(98,344)	(12,175)	(1,619)	(19,560)	(131,697)
Disposal	49,698	45	115	175	50,033
Exchange differences	4,389	—	(383)	—	4,007
Accumulated depreciation as at 31.12.2023	(249,728)	(24,166)	(2,866)	(31,808)	(308,566)
Impairment losses as at 01.01.2023	(3,060)	—	—	—	(3,060)
Impairment charge	(1,268)	—	—	—	(1,268)
Exchange differences	162	—	—	—	162
Impairment losses as at 31.12.2023	(4,165)	—	—	—	(4,165)
Carrying amount as at 31.12.2023	421,075	24,766	1,210	81,375	528,426

The right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Changes in lease liabilities during the financial year:

	31.12.2024	31.12.2023
Opening lease value at the beginning of the reporting period	617,582	690,181
Remeasurement of lease payments	50,153	66,869
Lease payments	(158,232)	(137,134)
Additions – new leases	75,843	42,151
Disposals	(9,435)	(3,252)
Interest expense	26,755	28,952
Interest payment	(26,755)	(28,952)
Currency valuation	(2,284)	(41,671)
Other	116	438
Lease liabilities at the end of the reporting period	573,744	617,582

24.3

Amounts recognised in the statement of cash flow related to leases

The total cash payments for the principal and interests were PLN 184,987 in 2024, and PLN 166,087 in 2023.

24.4

The Group's leasing activities and their accounting treatment

The Group leases various properties and equipment. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets together with a corresponding liability at the date at which the leased asset is available for use by the Group. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments. The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is certain that the lease will be extended or will not be terminated. The financial cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments,
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Group is generally not required to restore leased lands to their original condition at the end of the respective lease terms. Consequently, no provision has been recognised for such obligations, as they are not applicable in most cases. Where such obligations do arise, they are assessed as not significant to the Group's consolidated financial statements.

24.5

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options for the right-of-use assets have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption and because it is not reasonably certain that the leases will be extended.

The lease term is reassessed if an option is actually exercised or the Group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

24.6

Lease contracts concluded for indefinite period

The vast majority of the Group lease contracts are concluded for a definite period of time. However, the portion of the contracts for the lease of the land designated for deployment of APM was concluded for the indefinite period of time, with the right to terminate the agreement (in most cases with 3 months' notice period) without the significant financial penalty granted to both parties.

The Group considered the broader economic context of the lease contracts in determining the enforceable period of such leases. Those leased assets are important from the Group's perspective as they are an inherent part of the logistics operations. Moreover, it is expected that the number of leased land locations will increase significantly in the upcoming periods, due to the further expansion of the Group's logistics network, which creates the economic incentive not to terminate the existing lease agreements.

The Group considered all relevant facts and circumstances that create an economic incentive for both the lessee and lessor not to exercise an option to terminate early. All of these lease contracts are concluded with the same business strategy and subject to the same management analysis. The Group has considered a broad range of economic factors as incentives to extend or not terminate leases, in the context of its business plan for APMs. As a result, the Group has concluded that all the lease contracts should have a 5 year lease period at the commencement date of the lease; such lease period is subsequently reassessed only when a significant event or change in circumstances occurs that is within the control of the Group and affects whether it is reasonably certain to exercise an option.

25.
Deferred tax

Deferred tax is recognised in relation to temporary differences between the tax value of assets and liabilities and their carrying amount in the consolidated financial statements. However, no deferred tax is recognised if the tax arises as a result of initial recognition of goodwill or as a result of initial recognition of an asset or liability as part of a transaction other than a business combination, where initial recognition affects neither the accounting nor the taxable profit or loss at the time of the transaction. Deferred income tax is determined using the applicable legal or actual rates (and laws) as at the reporting period end date, which are expected to apply at the time of realisation of the relevant deferred tax assets or payment of deferred tax liabilities.

Deferred tax assets are recognised for unused tax losses, only when it is probable that taxable income will be generated in the future, which will allow the temporary differences or tax credits to be utilised on the same type of tax.

Deferred income tax assets and liabilities are presented net when there is a legally enforceable right to offset current tax receivables against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.



25.1
Deferred tax assets

The deferred tax assets at the balance sheet date comprised temporary differences attributable to:

	31.12.2024	31.12.2023
Accrued expenses	187,600	156,924
Lease liabilities	99,258	105,915
Liabilities to employees and share-based payments	37,008	41,558
Impairment of trade receivables	4,988	11,784
Other items	31,390	30,318
Total deferred tax assets	360,244	346,499
Deferred tax assets pursuant to set-off rules	(332,312)	(313,042)
Net deferred tax assets	27,932	33,457

	Accrued expenses	Liabilities to employees and share-based payments	Other	Offsetting	Total
As at 01.01.2024	156,924	41,558	148,017	(313,042)	33,457
(Charged)/credited to profit or loss	30,676	3,999	(12,381)	(19,270)	3,024
(Charged)/credited to other reserves	—	(8,908)	—	—	(8,908)
(Charged)/credited to OCI	—	516	—	—	516
Exchange differences	—	(157)	—	—	(157)
As at 31.12.2024	187,600	37,008	135,636	(332,312)	27,932
As at 01.01.2023	111,548	30,277	147,125	(272,655)	16,295
(Charged)/credited to profit or loss	45,376	7,051	892	(40,387)	12,932
(Charged)/credited to other reserves	—	5,242	—	—	5,242
(Charged)/credited to OCI	—	(856)	—	—	(856)
Exchange differences	—	(156)	—	—	(156)
As at 31.12.2023	156,924	41,558	148,017	(313,042)	33,457

25.2
Deferred tax liabilities

The deferred tax liabilities at the balance sheet date comprised temporary differences attributable to:

	31.12.2024	31.12.2023
Intangible assets (business combination fair value adjustment)	734,364	754,477
Cash flow hedge	8,050	22,244
Valuation of borrowings	37,400	49,445
Property, plant and equipment	2,897	10,676
Leases (right of use assets)	83,040	86,943
Other items	58,894	58,723
Total deferred tax liabilities	924,645	982,508
Deferred tax liabilities pursuant to set-off of rules	(332,312)	(313,042)
Net deferred tax liabilities	592,333	669,466

	Intangible assets (business combination fair value adjustment)	Cash flow hedge	Loan valuation, Leases, Property, plant and equipment and other items	Offsetting	Total
As at 01.01.2024	754,477	22,244	205,787	(313,042)	669,467
Charge/(credited) to profit or loss	(19,102)	—	(23,450)	(19,270)	(61,822)
Charge/(credited) to OCI	—	(14,194)	—	—	(14,194)
Exchange differences	(1,011)	—	(106)	—	(1,117)
As at 31.12.2024	734,364	8,050	182,231	(332,312)	592,333
As at 01.01.2023	935,595	80,962	141,167	(272,655)	885,069
Charge/(credited) to profit or loss	(156,079)	—	64,977	(40,387)	(131,490)
Charge/(credited) to OCI	—	(58,718)	—	—	(58,718)
Exchange differences	(25,039)	—	(357)	—	(25,396)
As at 31.12.2023	754,477	22,244	205,787	(313,042)	669,466

25.3
Deferred income tax

The deferred income tax calculation is based on the Group's best estimates. The Group intends to continue to analyse the Group's deferred income tax positions at each future balance sheet date.

The schedule of deferred income tax assets and liabilities is presented as follows:

	31.12.2024	31.12.2023
Deferred tax assets	360,244	346,499
– long-term	100,253	115,683
– short-term	259,991	230,816
Offsetting	(332,312)	(313,042)
Total	27,932	33,457

	31.12.2024	31.12.2023
Deferred tax liability	924,645	982,508
– long-term	761,375	810,076
– short-term	163,270	172,432
Offsetting	(332,312)	(313,042)
Total	592,333	669,466

26.
Liabilities to employees

The Group makes the following payments to employees that may result in liabilities to employees at the balance sheet date:

- short-term liabilities to employees;
 - payroll and social security contributions (except retirement and disability pension insurance);
 - paid absences;
 - incentive bonuses, cash rewards;
 - fringe benefits;
- post-employment benefits:
 - retirement and disability pension contributions;
 - retirement severance pays.

SHORT-TERM LIABILITIES TO EMPLOYEES

Accounting for short-term liabilities to employees does not require making actuarial assumptions to determine the obligation or the cost and there is no possibility of any actuarial gain or loss. Moreover, short-term liabilities to employees are measured on an undiscounted basis.

When an employee has rendered service to the Group during the accounting period, the Group recognises the estimated undiscounted amount of short-term benefits to be paid in exchange for that service as a liability, after deducting any amounts already paid, and expenses.

Short-term liabilities to employees in the form of bonus payments are recognised when the following requirements are satisfied:

- the Group has a legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

For benefits in the form of compensated absences, liabilities to employees are recognised for accumulating compensated absences (e.g. unused holiday leaves) when service is rendered that increases the entitlement to future compensated absences. In the case of non-accumulating compensated absences (e.g. sick leaves), benefits are recognised when the absences occur.

Liabilities to employees in the form of compensated absences or bonus payments fall outside the definition of provisions under the IFRS and are presented as current liabilities in the statement of financial position under the trade and other liabilities item.

DEFINED CONTRIBUTION PLAN –
SOCIAL INSURANCE INSTITUTION
(RETIREMENT AND DISABILITY PENSION
CONTRIBUTIONS)

In compliance with the applicable laws in effect, the Group pays retirement and disability pension contributions determined by the gross salary for each employed employee to the Social Insurance Institution (“State plan”). The Group is required to pay contributions as they fall due only for the period of the employee’s employment. The Group has no legal or constructive obligation to pay future benefits. If the Group ceases to employ members of the State plan, it has no obligation to pay the benefits earned by its own employees in previous years. For this reason, the State plan is a defined contribution plan.

The Group’s obligation under those plans for each period is determined by the amounts to be contributed for the year. Under IAS 19, no actuarial assumptions are required to measure the obligation or the cost and there is no possibility of any actuarial gain or loss. Moreover, the obligations are measured on an undiscounted basis, except where they do not fall due wholly within a year after the end of the period in which employees render the related service.

When an employee has rendered service to the Group during the period, the Group recognises the contribution payable to the defined contribution plan in exchange for that service as a liability, after deducting any amounts already paid, and an expense.

DEFINED BENEFIT PLAN – RETIREMENT
AND DISABILITY SEVERANCE PAYMENTS

The Group’s employees or their designated beneficiaries are entitled to retirement and disability severance payments. Retirement and disability severance payments are one-off payments made upon retirement or early retirement due to disability. In accordance with IAS 19 such severance payments are a defined benefit plan.

The present value of the aforesaid obligations is calculated by an independent actuary at each reporting period end date. The resulting obligation is equal to discounted payments to be made in the future taking into account the staff turnover and refers to the period remaining until the reporting period end date. The Group does not fund this plan therefore there are no existing plan assets.

The Group recognises actuarial gains/losses through other comprehensive income.

SHARE BASED PAYMENT

Allegro.eu Group runs the equity settled share based payment plans for its employees. The financial benefit from equity settled plans is allocated over the expected vesting period against equity starting from service commencement date which could be earlier than the grant date. For equity settled share based payments, the value of the awards is fixed at the grant date and is remeasured from the service commencement date until the grant date is reached. The service vesting condition and non-market performance conditions are reflected in the calculation of the number of awards that will vest. A description of the existing equity-settled Allegro Incentive Plan can be found in note 30.2.

26.1
Movements in liabilities to employees

The movements in liabilities to employees is presented below:

	01.01.2023	Charged	Reversed	Utilised	Exchange differences	31.12.2023	Charged	Reversed	Utilised	Exchange differences	31.12.2024
Provision for pensions and disability pensions	7,122	(2,184)	—	—	—	4,938	4,070	—	—	—	9,008
Long-term liabilities to employees	7,122	(2,184)	—	—	—	4,938	4,070	—	—	—	9,008
Bonus provision	91,168	122,999	(207)	(84,123)	(1,674)	128,164	131,695	(24,243)	(95,906)	(699)	139,011
Retention provision	5,120	—	—	(4,985)	(135)	—	—	—	—	—	—
Employee Incentive program	526	—	—	(526)	—	—	—	—	—	—	—
Unused holiday provision	33,138	30,933	—	(33,391)	(298)	30,381	28,652	—	(28,230)	337	31,140
Provision for pensions and disability pensions	271	21	—	(195)	(4)	93	63	—	(35)	—	122
Salaries accrual and Other	18,013	12,494	(16,337)	(1,706)	(1,301)	11,164	26,726	—	(26,759)	(397)	10,734
Short-term liabilities to employees	148,237	166,447	(16,544)	(124,926)	(3,412)	169,802	187,136	(24,243)	(150,930)	(759)	181,007
Total	155,359	164,263	(16,544)	(124,926)	(3,412)	174,740	(191,206)	(24,243)	(150,930)	(759)	190,015

27.
Trade and other liabilities

Trade and Other Liabilities at the balance sheet date comprised:

	Note	31.12.2024	31.12.2023
Trade payables		1,362,925	1,362,666
Contract and refund liabilities	10.3/10.4	238,279	239,083
VAT payables		155,081	159,088
Purchase of non-financial assets		45,836	26,474
Social insurance and other tax liabilities		45,374	38,283
Liabilities from pass through arrangements ^[1]		180,547	39,303
Other liabilities		82,999	41,802
Total		2,111,041	1,906,698

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

In 2024 the liabilities arising from the loan servicing arrangement represent the Group's obligation to financing partner (see note 19) to pass through the cash flows collected under the servicing arrangement, the cash collected is transferred to the financing partner on a weekly basis. These cash flows relate to consumer loans that were previously sold to the financing partner. The cash collected is presented within 'Cash and cash equivalents' as there are no contractual or legal restrictions imposed on the Group on the use of these funds.

This obligation is offset against the receivables due to the Group from the sale of consumer loans and is settled weekly following each sale. The Group presents either the net liability or the net receivable under the servicing arrangement, depending on the balance at the reporting date. The servicing arrangement fee is recognised as part of other revenue in the amount of PLN 7,224 in 2024 (2023: PLN 4,970).

As of 31 December 2024, the Group did not recognise any receivables from the financing partner, as there were no consumer loan sales at that time. Liabilities associated with the servicing arrangement were classified under "other liabilities" and corresponded to the contractual cash flows collected from consumer loans sold to the financing partner.

[1] In the Consolidated Financial Statements for the year ended 31 December 2023, the liabilities related to pass through arrangements were presented under 'Other Liabilities'. The Group amended the presentation in 2024 and restated the comparatives due to the significance of the balance.

27.1
Classification as trade liabilities

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of recognition. Trade and other liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

28.
Derivative financial instruments

CLASSIFICATION AND MEASUREMENT

Derivative financial instruments designated as hedging instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their current fair value. Derivatives are only used by the Group for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss.

28.1
Hedging derivative financial instruments

Derivative financial instruments designated in a hedging relationship to which cash flow hedge accounting is applied are accounted for at fair value through other comprehensive income.

CASH FLOW HEDGES

The Group adopted a cash flow hedge strategy to mitigate potential adverse impacts on the Group's financial performance of changes in interest rates (swap) and changes in the exchange rates (foreign exchange derivatives).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in equity and is recognised in the income statement when the planned transaction occurs. When a planned transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is transferred to the income statement.

The fair values of interest rate swaps designated as cash flow hedge are disclosed in this note. Movements in other comprehensive income are presented in the Consolidated Statement of Comprehensive Income.

The fair value of a hedging derivative is classified as non-current assets or non-current liabilities if the remaining maturity of the hedged item is more than twelve months and as current assets or current liabilities, if the maturity of the hedged items is less than twelve months.

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

HEDGE INEFFECTIVENESS

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

When the hedged item affects profit or loss, the gain or loss relating to the effective portion of the interest rate swaps is reclassified from other comprehensive income and recognised in profit or loss, within finance cost at the same time as the interest expense on the hedged borrowings.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount, therefore there is a clear economic relationship between the hedged item (floating rate borrowings) and hedging instruments (IRS). The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. For each IRS separate hedging relationship is designated, with the hedge level of 100%. Sources of ineffectiveness may include changes in credit risk of the counterparty or changes in timings of cash flows. The economic relationship of existing hedge instruments is 100% effective.

INTEREST RATE SWAPS

The Group enters into interest rate swaps to reduce the portion of interest rate risk exposure, as all outstanding borrowings bear a floating interest rate. Interest rate swaps have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, and so the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms aligned during the year, an economic relationship existed as at the end of 31 December 2024 and 31 December 2023.

In measuring the fair value of interest rate swaps, the Group uses the present value of future cash flow based on interest rate curves.

The decrease of derivative financial assets and decrease of financial liabilities stems from PLN 104,809 cash received upon the settlement of interest rate hedging instruments (refer to note 11 'Financial income and financial costs'). This decrease mainly resulted from the expiration of highly profitable agreements signed during the COVID-19 pandemic, which ended in June 2024 and was further supported by lowering market expectation regarding the future interest rates, given the anticipated nearing end of the tightening monetary policy in the Polish market that translated to a decrease in valuation of the remaining financial instruments owned by the Group.

As of 31 December 2024, the Group hedged PLN 2,500,000 of its total PLN 5,957,000 borrowings with the interest rate swap contracts with the swap rates ranging from 4.1555% to 5.5720%. As of 31 December 2023, it had hedged PLN 4,125,000 of its total PLN 6,257,000 borrowings, with swap rates between 0.615% and 2.672%.

The following table presents the balances of Interest Rate Swap contracts:

Balance Sheet position	31.12.2024 Interest Rate Swap	31.12.2023 Interest Rate Swap
Derivative financial assets – long term	21,331	—
Derivative financial assets – short term	10,792	89,191
Derivative financial liabilities – long term	—	13,703
Total	32,123	75,488

FX FORWARD

In 2024, the Group entered several FX Forward Contracts to hedge against future outflows for selected suppliers denominated in foreign currencies, primarily USD and EUR and are generally executed for periods of a few months. These contracts were structured to meet the criteria for hedge accounting and are recognised through other comprehensive income.

The notional amount of the FX Forward Contracts as at 31 December 2024 is EUR 12,033 and USD 5,527 with a total valuation at PLN 201 which is presented under Derivative Financial Liabilities in the balance sheet.

The effectiveness of all outstanding cash flow hedges were tested and found to be 100% effective. Therefore, all changes were recognised in other comprehensive income.

28.2
Non-hedging derivative financial instruments

Derivatives used for risk management to which hedge accounting is not applied, either because the Group has chosen not to, or the qualifying criteria are not met, are accounted for at fair value through profit or loss.

EMBEDED DERIVATIVE

If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative is separated from the host contract if all the following conditions are satisfied:

The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host.

A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

The hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss. This implies that a derivative embedded in a financial liability valued at fair value through profit or loss is not separated.

VIRTUAL POWER PURCHASE AGREEMENT ('VPPA')

In December 2023 the Group entered into virtual power purchase agreement and guarantees of origin agreement ('GoOs') both within one contract. The contract assumes purchase of guarantees of origin at fixed price and virtual purchases of green energy with the expected annual volume of approximately 22 megawatt hours over the duration of the contract at fixed prices of PLN 0,370 per megawatt hour. The settlements under the contract started in May 2024 and will take place over a 10 year period. The GoO part of the contract is considered as a host contract with the vPPA part being an embedded derivative in the GoO host contract.

The GoO once purchased are expected to be used by the Group. This embedded derivative does not meet the criteria of 'closely related' therefore was separated from the host contract.

The embedded derivative is measured initially at fair value and subsequently at fair value through profit or loss. The measurement of the embedded derivative falls into level 3 of the fair value hierarchy.

The agreement under which the Group purchases the renewable energy certificates is considered the host contract to which the vPPA derivative is embedded. The Group uses Guarantees of Origin (GOOs) to certify that a portion or all of its electricity consumption originates from renewable energy sources. This supports the Group's sustainability commitments, regulatory compliance, and environmental reporting obligations. GOOs help demonstrate the Group's efforts in reducing its carbon footprint and meeting corporate decarbonisation targets.

The GoO agreement assumes physical delivery of the certificates, with the sellers being responsible for redeeming the GoOs on behalf of the Group. Consequently, the contractual right to receive the GoOs under the agreement meets the so-called 'own use exemption'. The Group has no intention of trading these certificates and has no past practice of net settling GoO contracts. Therefore, the GoO agreement shall be treated as an executory contract, falling outside the scope of IFRS 9. Guarantees of Origin are expensed immediately upon receipt.

As at 31 December 2024 the fair value of the embedded derivative contract was negative, amounted to PLN 2,894 and was presented as long term derivative financial liability in the amount of 2,711 and as short term derivative financial liability in the amount of 183. As at 31 December 2023 was nil, as the contract was signed on the market terms shortly before.

29.
Financial assets and financial liabilities

CLASSIFICATION AND MEASUREMENT

In accordance with IFRS 9 the Group classifies financial assets as: measured at fair value and measured at amortised 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 2024 and 2023 all financial assets and liabilities except for derivative instruments, money market fund units and customer loans held at fair value, were initially recognised at fair value including transaction costs and subsequently measured at amortised cost.

The Group applies hedge accounting and classifies the interest rate swap financial derivatives as cash flow hedges under IFRS 9. Other derivatives are not used in a hedging relationship 28.2.

The Group holds the following financial instruments:

	Note	31.12.2024	31.12.2023
Financial assets at amortised cost		4,486,598	3,110,441
Short term Trade receivables and other receivables ^[1]	17	325,276	1,031,198
Cash and cash equivalents	21	4,058,943	2,049,122
Restricted cash	22	74,777	20,087
Long Term Other receivables		22,860	3,041
Investments		364	364
Other financial assets	20	4,378	6,629
Financial assets at fair value through profit or loss		528,375	403,261
Consumer loans at fair value through profit or loss	19	502,885	403,261
Other financial assets at fair value through profit or loss	20	25,289	—
Derivative financial instruments (forward)		201	—
Derivative financial instruments at FVOCI		32,123	89,191
Derivative financial instruments (cash flow hedge)	28	32,123	89,191

[1] excluding tax-related settlements

	Note	31.12.2024	31.12.2023
Liabilities at amortised cost		8,096,826	8,377,435
Trade and other liabilities ^[2]	27	1,734,923	1,692,365
Borrowings	23	5,788,158	6,067,487
Lease liabilities (outside IFRS9 scope)	24	573,744	617,582
Derivative financial instruments at FVOCI		—	13,703
Derivative financial instruments (cash flow hedge)	28	—	13,703
Derivative financial instruments through profit or loss		2,894	—
Derivative financial instruments (vPPA)	28	2,894	—

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises 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 recognised at fair value.

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only if the Group has a legally enforceable title to offset the recognised amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

IMPAIRMENT OF FINANCIAL ASSETS

The Group applies the 3-stage classification of financial assets in terms of their impairment:

- the first stage, i.e. balances for which there has been no significant increase in credit risk since the initial recognition and for which the expected loss is determined based on the probability of default within 12 months;
- second stage – balances for which there has been a significant increase in credit risk since the initial recognition and for which an expected loss is determined based on the probability of default throughout the entire loan period;
- the third stage – the balance with the identified impairment.

For trade receivables the Group is using a simplified model, described in note number 33.

[2] excluding deferred income and tax-related settlements



NOTE TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30. Equity

30.1 Share capital

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

As at 31 December 2024 the Group's share capital comprised 1,056,904,853 ordinary shares with a nominal value of PLN 0.01 each and a total value of PLN 10,569,049.

The shareholding structure as at 31 December 2024 and 31 December 2023 is presented in table below:

Name	Ultimate owner	31.12.2024		31.12.2023	
		Number of Shares	% of share capital	Number of Shares	% of share capital
Permira VI Investment Platform Limited	Permira	233,678,572	22.10%	262,928,572	24.88%
Cidinan S.à r.l.	Cinven	198,905,845	18.81%	228,155,845	21.59%
Other Shareholders	n/a	624,320,436	59.09%	565,820,436	53.53%
Total		1,056,904,853	100%	1,056,904,853	100%

The largest individual shareholders of the Group since its inception in 2017 have been the private equity funds: Cinven and Permira.

As at 31 December 2024 and 31 December 2023 the Allegro.eu S.A. had no distributable earnings.

30.2 Share based payments

Share price at the grant date is provided in PLN, not in thousand PLN.
Number of shares granted is provided in units, not in thousands of units.

ALLEGRO INCENTIVE PLAN ("AIP")

The Group adopted the Allegro Incentive Plan in 2020. The AIP is a discretionary plan under which awards in the form of performance share units ('PSUs') and restricted stock units ('RSUs') may be granted to employees of the Group at the discretion of the Remuneration and Nomination Committee of its Board of Directors.

Awards under the AIP may be granted in the form of PSUs or RSUs which give the participants a right to receive Shares without payment on completion of a service vesting period and, in the case of PSUs, subject to the satisfaction of performance conditions. The AIP rules also include flexibility for the Remuneration and Nomination Committee to grant other forms of awards. The Awards are normally granted within the six-week period after the Group announces its annual results. However, the Remuneration and Nomination Committee may grant awards outside this period at its discretion.

The service vesting condition (for RSU and PSU) and non-market performance conditions (for PSU) are reflected in the calculation of the number of awards that will vest. The Group performs the periodic reassessment of the number of awards that are expected to vest resulting in an impact on the total cost of the AIP program recognised over the vesting period. Those adjustments are mostly driven by fluctuation of the number of units granted under the AIP program, due to changes in employment.

The Group has made a judgement that the service commencement date or the grant date has not yet occurred for the subsequent awards to be granted until 2030 as the programme is discretionary and can be terminated by the Remuneration Committee.

PERFORMANCE SHARE UNITS

Performance Share Units are designed for the Key Directors of the Group. The program started in April 2021 and may last until September 2030. Each year participants gain the conditional right to receive a predefined number of shares following a 2 to 3 years performance period, depending on the extent to which pre-defined cumulated GMV and Adjusted EBITDA targets are met. The final number of shares received depends on the target achievement of those KPIs and ranges from 0 % to 200 % of the conditionally granted shares. The gain for the participant depends both on the final number of shares granted and the development of the share price over the vesting period. The share price is not a performance condition.

Initially, an individual target value in PLN is divided by the share price to conditionally define the target number of shares to be received after the performance period. In respect to PSUs, the award vests on the third anniversary of the grant date provided that the Committee has determined that the applicable Performance Condition and any other conditions imposed on the Vesting of the Award have been satisfied. Recognition of the estimated cost of the program reflects the PSU Plan's notional vesting profile of 25%, 25%, and 50% respectively on the first, second, and third anniversaries of the grant date. If a holder of the PSU units leaves before the end of the 36 month vesting period, and is considered a good leaver they shall receive the notionally vested units. Shares will only be delivered on the third anniversary of the grant date and, in the case of leavers, each unit is capped to a maximum of one share per unit, even if the Group has over performed its PSU performance criteria. PSU units that met the vesting conditions are presented in the table below as 'vested but not transferred shares'.

RESTRICTED STOCK UNITS

Restricted Stock Units are designed for employees other than Key Directors of the Group. The program started in April 2021 and may last until September 2030.

Restricted Stock Units are not subject to any performance conditions related to target achievement. If a holder of RSU leaves before the end of the vesting period, all shares due to vest at future vesting dates shall lapse.

Recognition of the estimated cost of the program reflects the RSU Plan's vesting profile of 25%, 25%, and 50% respectively on the first, second, and third anniversaries of the grant date.

As at 31 December 2024, the Remuneration Committee of the Board of Directors of Allegro.eu had granted the following [RSU and PSU] which had not yet vested and been delivered in full to qualifying AIP participants:

Grant date	Allegro.eu share price at the grant date [not in thousand]	End of the last vesting period	vesting profile	PSU		RSU	
				number of shares granted	value at the grant date	number of shares granted	value at the grant date
11.04.2022	28.36	01.04.2025	25/25/50	742,135	15,939	2,499,820	56,273
04.03.2022	26.31	01.04.2025	monthly	—	—	427,419	10,106
05.07.2022	22.82	01.04.2024	0/100	365,562	6,326	—	—
05.07.2022	22.82	01.04.2024	25/25/50	—	—	355,336	7,339
30.09.2022	21.55	01.04.2025	25/25/50	—	—	330,525	5,875
01.10.2022	21.55	01.04.2025	25/25/50	—	—	132,041	2,365
Total 2022				1,107,697	22,265	3,745,141	81,958
11.04.2023	30.51	01.04.2026	25/25/50	1,193,397	26,350	3,893,422	88,399
11.04.2023	30.51	01.04.2025	50/50	—	—	127,658	2,664
02.10.2023	32.70	01.04.2026	25/25/50	—	—	65,002	1,494
Total 2023				1,193,397	26,350	4,086,082	92,557
04.04.2024	31.66	01.04.2027	25/25/50	—	—	253,407	6,151
04.04.2024	31.66	01.04.2027	25/25/50	1,212,997	29,078	4,070,466	95,953
04.04.2024	31.66	01.04.2026	50/50	—	—	109,487	2,722
03.10.2024	34.46	01.04.2027	25/25/50	—	—	24,076	654
Total 2024				1,212,997	29,078	4,457,436	105,480

The table below presents all the outstanding share units under the incentive programs introduced by the Group:

Grant date	Number of granted shares	
	PSU	RSU
As at 31.12.2022	1,243,735	3,790,445
– vested but not transferred units	36,392	—
New Grants	1,193,397	4,086,082
Forfeited	(263,598)	(712,307)
Exercised	—	(1,175,741)
As at 31.12.2023	2,173,534	5,988,479
– vested but not transferred units	218,881	—
New Grants	1,212,997	4,457,436
Forfeited	(788,512)	(682,551)
Exercised	(150,484)	(1,987,918)
As at 31.12.2024	2,447,535	7,775,446
– vested but not transferred units	455,583	—

The grant date fair value of the awards is determined based on the closing price of Allegro.eu shares listed on Warsaw Stock Exchange on the grant date.

Total PSU share based compensation to be recognised in the future periods prior to vesting, based on the outstanding 2,447,535 PSUs has been estimated at PLN 21,661 as of 31 December 2024 (PLN 19,345 as of 31 December 2023). This estimate is calculated based on the fair value at grant date of the Group's shares at closing, an estimate of the number of awards that will vest 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.

In the year ended 31 December 2024, PLN 21,355 of costs was recognised in relation to the PSU Plan against Other Reserves, and PLN 13,668 on 31 December 2023.

Total RSU share based compensation to be recognised in the future periods prior to vesting, based on the outstanding 7,775,446 RSUs has been estimated at PLN 87,275 as of 31 December 2024 (PLN 66,503 as of 31 December 2023). This estimate is based on the fair value at grant date of the Group's shares, with one RSU unit being equivalent to one ordinary share adjusted by an estimate of the number of awards that will vest.

In the year ended 31 December 2024, PLN 98,524 was recognised under the RSU Plan against Other Reserves, and PLN 74,265 on 31 December 2023. Employees entitled to receive the share-based compensation under the RSU plan, were informed of the key terms of the RSU Plan on the date of the grants, hence the service commencement dates are the same as the actual grant dates.

In the year ended 31 December 2024, PLN 7,021 PSUs and PLN 68,361 of RSUs were transferred from other reserves to share premium (PLN 6,353.00 and PLN 28,984.00 in 2023), upon the completion of the second vesting period of AIP.

30.3
Treasury shares

Treasury shares are Group's own shares that are held by Parent for the purpose of distributing shares to the Group's employees under the Allegro Incentive Plan (see note 30.2 for further information). Historically distribution of Treasury Shares was at the discretion of Employee Benefit Trust ("EBT") that were liquidated as of 9 June 2023, with the remaining shares being transferred to the Parent.

At the end of 2023 the Group was in possession of 2,242,266 Treasury Shares valued at PLN 69,499, from which 2,111,752 were distributed to the employees in first half of 2024 upon the next vesting date of Allegro Incentive Plan, and the remaining 130,514 undistributed shares were held as Treasury Shares for delivery to employees at future grant dates.

On 9 December 2024, the Group completed a share buyback program, resulting in the purchase of 3,473,726 shares representing 0.33% of the Group's share capital, valued at PLN 103,920. These shares will be held as Treasury Shares until delivered to employees participating in the Allegro Incentive Program.

As at 31 December 2024 the Group was therefore in possession of a total of 3,604,240 shares valued at PLN 107,980.

More information is provided in note 13.



NOTES TO THE
CONSOLIDATED STATEMENT
OF CASH FLOWS

31.
Cash flow information

31.1
Non-cash investing and financing activities

Investing and financing transactions that do not require the use of cash or cash equivalents are as follows:

	31.12.2024	31.12.2023
Lease liabilities / Right-of-use assets	(75,843)	(42,151)
Total	(75,843)	(42,151)

31.2

Borrowings and leases reconciliation

This section sets out an analysis of and the move-
ments in liabilities for borrowings, leases and deriv-
atives for each of the periods presented.

Liabilities from financing activities	Leases	Loans	Derivative financial liabilities ^[1]	Total
As at 01.01.2024	(617,582)	(6,067,487)	(13,703)	(6,698,772)
Principal repaid	158,232	300,000	—	458,232
Interest paid	26,755	473,769	—	500,524
Arrangement fee paid	—	5,150	—	5,150
Cash movements	184,987	778,919	—	963,906
Interest accrued	(26,755)	(505,006)	—	(531,761)
Remeasurement of borrowings	—	5,416	—	5,416
Gain/(Loss) on cash flow hedging	—	—	10,808	10,808
Additions (new leases)	(75,843)	—	—	(75,843)
Disposals	9,435	—	—	9,435
Foreign exchange adjustment	2,284	—	—	2,284
Remeasurement of lease payments	(50,153)	—	—	(50,153)
Other	(116)	—	—	(116)
Non-cash movements	(141,148)	(499,590)	10,808	(629,931)
As at 31.12.2024	(573,744)	(5,788,158)	(2,895)	(6,364,797)

[1] the remaining amount in the Consolidated Statement of Cash Flow represents the settlements of the hedging derivative assets

Liabilities from financing activities	Leases	Loans	Derivative financial liabilities ^[1]	Total
As at 01.01.2023	(690,181)	(6,453,527)	(224)	(7,143,932)
Principal repaid	137,134	487,500	—	624,634
Interest paid	28,952	576,846	—	624,634
Borrowings received	—	(245,000)	—	(245,000)
Arrangement fee paid	—	35,460	—	35,460
Cash movements	166,087	854,806	—	1,020,892
Interest accrued	(28,952)	(544,863)	—	(573,815)
Remeasurement of borrowings	—	76,097	—	76,097
Gain/(Loss) on cash flow hedging	—	—	(13,478)	(13,478)
Additions (new leases)	(42,151)	—	—	(42,151)
Disposals	3,252	—	—	3,252
Foreign exchange adjustment	41,671	—	—	41,671
Remeasurement of lease payments	(66,869)	—	—	(66,869)
Other	(438)	—	—	(438)
Non-cash movements	(93,487)	(468,766)	(13,478)	(575,731)
As at 31.12.2023	(617,582)	(6,067,487)	(13,703)	(6,698,772)

31.3
Changes in net working capital

Changes in net working capital are set out below:

Changes in trade and other receivables and prepayments ^[1]	31.12.2024	31.12.2023
Receivables and prepayments – current period balance	438,982	1,150,971
Receivables and prepayments – previous period balance	(1,150,971)	(1,407,237)
Interest rate swap receivable	—	15,420
Other	(22,023)	(4)
Exchange differences	4,362	17,323
Inflow / (Outflow) from trade and other receivables and prepayments	729,650	223,527

Changes in inventories	31.12.2024	31.12.2023
Inventories – current period balance	174,590	300,154
Inventories – previous period balance	(300,154)	(496,620)
Exchange differences	6,321	28,153
Inflow / (Outflow) from inventories	119,243	168,314

Changes in consumer loans	31.12.2024	31.12.2023
Consumer loans – current period balance	502,885	403,261
Consumer loans – previous period balance	(403,261)	(366,876)
Inflow / (Outflow) from consumer loans	(99,624)	(36,386)

[1] In the Consolidated Financial Statements for the year ended 31 December 2023 the change in restricted cash was presented in the Consolidated statement of cash flows under line Changes in trade and other receivables and prepayments. In 2024, the changes in restricted cash are presented in separate line item; the comparatives are re-presented.

Changes in trade and other liabilities	31.12.2024	31.12.2023
Liabilities – current period balance	2,111,705	1,906,698
Liabilities – previous period balance	(1,906,698)	(1,981,283)
Change in capital expenditure liabilities	(19,362)	(12,972)
Other	(54)	2,160
Exchange differences	13,418	50,863
Inflow / (Outflow) from trade and other liabilities	199,009	(34,534)

Changes in liabilities to employees	31.12.2024	31.12.2023
Liabilities to employees – current period balance	190,016	174,740
Liabilities to employees – previous period balance	(174,740)	(155,359)
Actuarial gain/(loss) – current period balance	2,174	4,893
Actuarial gain/(loss) – previous period balance	(4,893)	(322)
Exchange differences	(10,701)	(16,684)
Inflow / (Outflow) from liabilities to employees	1,856	7,268

Changes in restricted cash ^[1]	31.12.2024	31.12.2023
Restricted cash – current period balance	74,777	20,086
Restricted cash – previous period balance	(20,086)	(34,256)
Inflow / (Outflow) from restricted cash	(54,691)	14,170

RISKS

32.
Critical estimates and judgments

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Estimations 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.

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

32.1
Estimated impairment of goodwill

Goodwill results from business combination and is not subject to amortisation, but is tested for impairment annually, or more often, if there is indication of impairment. For the purpose of impairment testing goodwill is allocated to cash generating units (“CGU”) or group of cash generating units which are expected to benefit from synergies achieved as a result of business combination, the cash-generating unit (or group of CGUs) can not be larger than an operating segment.

Cash-generating units are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment arises when the carrying amount of a given asset or cash generating unit exceeds its recoverable amount. The impairment testing was carried out as at 31 December 2024 and 31 December 2023.

Goodwill recognised by the Group and disclosed in the statement of financial position arose from the acquisition of Grupa Allegro sp. z o.o. by Allegro sp. z o.o., Ceneo sp. z o.o by Ceneo.pl sp. z o.o., eBilet Polska sp. z o.o., Opennet sp. z o.o., X-press Couriers sp. z o.o., and SCB Warszawa sp. z o.o. The goodwill on acquisition of Mall Group and WE|DO was recognised in 2022 and fully impaired in the year ended 31 December 2023.

No part of the recognised goodwill will be deductible for income tax purposes.

For the purposes of impairment tests in 2023 the Group has identified nine separate cash-generating-units. After impairing four of them last year, only five separate cash-generating units subject to goodwill impairment test remained in 2024 (as presented in the table below). These units are tested as separate CGUs for the purpose of impairment testing.

In the previous reporting period, the Group entered the next phase in its international marketplace expansion by launching allegro.cz, an e-commerce platform serving customers on territory of the Czech Republic. In 2024, the Group launched two further e-commerce platforms in new markets: Allegro.sk in Slovakia and Allegro.hu in Hungary. This resulted in a change in structure of the internal management organisation, and identification of the separate reportable segment – Allegro International (including from the year 2024 three operating segments allegro.cz, allegro.sk and allegro.hu; as at 31 December 2023 there was only one operating segment thus the operating segment was equal to reportable

segment). The Group reallocated some of the assets identified on the acquisition of Mall Group to the newly identified Allegro International segment (more information in note 32.2). As a result, PLN 251,494 of customer relationships and PLN 122,448 of goodwill were reallocated to CGU Allegro.cz and PLN 58,776 of customer relationships and PLN 24,123 of goodwill were reallocated to CGU Allegro.sk. The above assets were subject to impairment testing as at 31 December 2024.

Cash-generating units to which goodwill was allocated for the purpose of impairment test are presented in the table below:

Level of impairment testing	Allegro	Ceneo	eBilet	Allegro.cz	Allegro.sk
Goodwill at the acquisition	8,178,831	441,801	48,937	n/a ^[1]	n/a ^[1]
Goodwill as at 31 December 2023	8,178,831	441,801	48,937	122,448	24,123
Goodwill as at 31 December 2024	8,178,831	441,801	48,937	122,448	24,123
Reportable Segment	Allegro	Ceneo	Other	Allegro International	Allegro International
CGU	Allegro	Ceneo	eBilet	Allegro.cz	Allegro.sk
Entities	Allegro sp. z o.o. (excluding Allegro.cz and Allegro.sk trading) Allegro Pay sp. z o.o. Opennet.pl sp. z o.o. SCB Warszawa sp. z o.o. Allegro Finance sp. z o.o.	Ceneo.pl sp. z o.o.	eBilet Polska sp. z o.o.	Allegro sp. z o.o. (including solely Allegro.cz trading)	Allegro sp. z o.o. (including solely Allegro.sk trading)

[1] The goodwill allocated to Allegro.cz and Allegro.sk CGUs is a portion of the goodwill reallocated from Mall (group of CGUs), for more information refer to 32.2.

VALUE IN USE (ALLEGRO, CENEO, EBILET)

The recoverable amounts on the cash-generating units other than Allegro International and Mall operating segment, were determined by calculating the value in use.

The calculations used the discounted cash flows before tax based on past performance and Management's expectations of market development for the following five years and including residual value. The result of each of the three cash generating units' tests showed no impairment as at 31 December 2024 and 31 December 2023.

The cash flow projections used by the Group to calculate values in use are prepared based on the financial budgets and plans approved by the Group's Board of Directors. The projections are performed using several key assumptions. The Group intends to drive future growth by converting marketplace visitors to buyers and increase GMV ('Gross Merchandise Value') per buyer with a focus on retail basics of pricing, selection and delivery experience, improving product findability and ease of returns.

The Group is continuously introducing new platform features and value added services, such as development of consumers lending operations, to further increase acquisition and customer engagement. The projected annual growth rate of revenues and EBITDA is based on the anticipated expansion of the Polish online retail market, Allegro's increased market share, effective advertising strategies, and continued development of logistics services.

Cash flows beyond the forecast period are extrapolated using the estimated growth rates, which are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The pre-tax discount rate reflects specific risks relating to the relevant segment and the countries in which it operates.

The critical assumptions made when calculating recoverable amount were as follows:

31.12.2024	Allegro	Ceneo	Ebilet
Compound annual growth of revenues during the forecast period	15.85%	9.38%	12.34%
Average annual rise/(fall) in EBITDA margin during the forecast period	(0.47) ppt	(1.21) ppt	(0.00) ppt
Growth rate outside the forecast period (including inflation)	2.50%	2.50%	2.50%
Discount rate (pre-tax)	13.76%	14.62%	13.76%
31.12.2023	Allegro	Ceneo	Ebilet
Compound annual growth of revenues during the forecast period	15.51%	11.52%	13.91 %
Average annual rise/(fall) in EBITDA margin during the forecast period	(1.29) ppt	(0.58) ppt	(0.64) ppt
Growth rate outside the forecast period (including inflation)	2.50%	2.50%	2.50%
Discount rate (pre-tax)	13.99%	14.26%	13.99%

Future net cash flow of the cash-generating units is based on the critical assumptions presented above, each of which involve a degree of uncertainty.

Sensitivity analysis of the aforesaid assumptions shows that the recoverable amount would be equal to the carrying amount of CGU, if any of the key assumptions changes as follows:

31.12.2024	Allegro	Ceneo	Ebilet
Decrease of revenue CAGR by:	5.61 ppt	1.70 ppt	10.07 ppt
Decrease of annual EBITDA margin by:	18.58 ppt	6.83 ppt	33.44 ppt
Decrease of growth rate outside the forecast period by:	291.60 ppt	10.81 ppt	n/a
Increase of discount rate (pre-tax) by:	25.82 ppt	5.71 ppt	n/a
31.12.2023	Allegro	Ceneo	Ebilet
Decrease of revenue CAGR by:	2.82 ppt	3.15 ppt	9.46 ppt
Decrease of annual EBITDA margin by:	10.47 ppt	11.44 ppt	30.93 ppt
Decrease of growth rate outside the forecast period by:	34.57 ppt	18.23 ppt	n/a
Increase of discount rate (pre-tax) by:	12.48 ppt	8.60 ppt	60.44 ppt

Management is not aware of any reasonably likely assumptions that might result in business performance outcomes similar or worse than those shown in these sensitivities for the Allegro, Ceneo and eBilet as of 31 December 2024 and as at 31 December 2023 and therefore result in a material impairment.

FAIR VALUE LESS COST TO SELL
(CGUS IN MALL OPERATING SEGMENT AND CGU ALLEGRO.CZ)

As at 31 December 2023 remaining the goodwill recognised from the acquisition of Mall Group and We|Do in the amount of PLN 30,574, which was tested for at the aggregated level of four CGUs (Mall North, Mall South, CZC, WE|DO) was fully impaired, so no impairment test was performed in 2024 with respect to Mall Operations.

In 2023 the Group applied ‘fair value less costs to sell’ approach for goodwill impairment purposes considering that the Mall’s business was (and still is) undergoing a restructuring process by transitioning it from a 1P to a 3P model consequently, the recoverable amount of acquired assets in ‘Mall’ operating segment was determined based on the ‘fair value less costs to sell’ using the discounted cash flow model. As the restructuring was still in progress, the recoverable amount calculated using the value-in-use method, without including projected changes in the business, resulted in a lower amount. The Group had not yet been committed under IAS37 to the restructuring costs and benefits thus those could not be reflected in value in use calculation.

Moreover after launch of new platforms and re-allocation of previously acquired assets (more in the note 32.2), goodwill allocated to Allegro.cz and Allegro.sk became subject for annual impairment test. Since both platforms have only been recently launched, there is a longer period required to reach the expected levels of operations, the recoverable amount of the acquired and further reallocated assets was also determined based on the ‘fair value less costs to sell’ method.

The impairment test of goodwill in the amount of PLN 122,448 allocated to CGU Allegro.cz and PLN 24,123 allocated to CGU Allegro.sk shows no impairment loss as at 31 December 2024 and 31 December 2023. The impairment test of Mall CGUs (Mall North, Mall South, CZC, WE|DO) carried as at 31 December 2023, resulted in the recognition of the impairment loss of PLN 649,862 including the impairment of goodwill of PLN 30,574, customer relationship of PLN 312,211, trademarks and domains of PLN 116,170 and software of PLN 170,377.

The key assumptions driving the discounted cash flow model are presented in the table below:

31.12.2024	Allegro.cz	Allegro.sk
The average annual rate of growth of revenues during the forecast period	42.35%	63.76%
Average annual rise/(fall) in EBITDA margin during the forecast period	23.79 ppt	69.73 ppt
Growth rate outside the forecast period (including inflation)	2.00%	2.00%
Discount rate (post-tax)	9.92%	8.99%

31.12.2024	Allegro.cz	Allegro.sk	Group of CGU's			
			Mall North	Mall South	CZC	WE DO
The average annual rate of growth of revenues during the forecast period	51.32%	60.49%	5.63%	11.23%	1.53%	23.34%
Average annual rise/(fall) in EBITDA margin during the forecast period	47.17 ppt	2.55 ppt	1.28 ppt	1.58 ppt	(0.13ppt)	6.79 ppt
Growth rate outside the forecast period (including inflation)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Discount rate (post-tax)	9.91%	9.37%	11.80%	9.29%	9.91%	9.95%

Sensitivity analysis of the aforesaid assumptions shows that the recoverable amount would be equal to the carrying amount of CGU if any of the key assumptions is changed as follows:

31.12.2024	Allegro.cz	Allegro.sk
Decrease of revenue CAGR by:	5.7 ppt	8.84 ppt
Decrease of annual EBITDA margin by:	4.21 ppt	11.79 ppt
Decrease of growth rate outside the forecast period by:	2.19 ppt	36.12 ppt
Increase of discount rate (pre-tax) by:	1.35 ppt	10.18 ppt

31.12.2023	Allegro.cz	Allegro.sk	Mall South	WE DO
Decrease of revenue CAGR by:	1.68 ppt	0.99 ppt	1.10 ppt	0.80 ppt
Decrease of annual EBITDA margin by:	23.61 ppt	5.91 ppt	3.58 ppt	11.43 ppt
Decrease of growth rate outside the forecast period by:	503.0 ppt	27.55 ppt	15.5 ppt	44.3 ppt
Increase of discount rate (pre-tax) by:	15.1 ppt	8.53 ppt	6.4 ppt	10.7 ppt

Sensitivity analysis of the aforesaid assumptions shows that the recoverable amount would be equal to the carrying amount of CGU, if any of the key assumptions changes as follows:

31.12.2023	Reasonably possible change in key assumptions	Mall North	CZC
		(Decrease)/ increase of the recognised impairment loss	(Decrease)/ increase of the recognised impairment loss
Average growth of Revenue:	+/- 0.75 ppt	(302,595) / n/a ^[1]	(52,636) / n/a ^[1]
Average EBITDA margin:	+/- 5.0 ppt	(216,619) / n/a ^[1]	(17,857) / n/a ^[1]
Growth rate outside the forecast period (including inflation)	+/- 1 ppt	n/a ^[2]	n/a ^[2]
Discount rate (post-tax)	+/- 1 ppt	n/a ^[2]	n/a ^[2]

The fair value measurement is classified as level 3 of the fair value hierarchy. The measurements use cash flow projections based on financial models approved by the Board of Directors covering a eight-year cash flow recovery period, aligned with the period necessary for the completion of the restructuring of the acquired business and stabilisation of future cash flows.

The average annual rate of growth of revenue and EBITDA margin during the forecasted period are estimated based on the Group expectations of future market development and industry benchmarks.

Cash flows beyond the forecast period are extrapolated using the estimated growth rates, which are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The post-tax discount rate reflects specific risks relating to the relevant segment and the countries in which it operates.

[1] There is no potential increase of impairment, as the entire carrying value of assets allocated to each CGU was impaired (except those assets that have a higher than zero fair value on standalone basis).

[2] (Decrease)/Increase of growth rate and discount rate by 1 ppt would not have an impact on recognised impairment.

32.2 Reallocation of assets between operating segment Mall and Allegro International

In the previous reporting period, there was a change in structure of the internal management organisation in a manner that influenced the composition of operating segments and reportable segments. This change resulted in the identification of the two reportable segments (Allegro International and Mall) within previously reported one reportable segment (equal to operating segment) – Mall to which goodwill was allocated (see further information in Note 9). Allegro International represents the Allegro marketplace operations (3P model), run through the Allegro.cz platform, on the Czech market (launched in 2023), Allegro.sk (launched in February 2024) and Allegro.hu (launched in October 2024).

The Group determined that there are classes of assets identified on the acquisition of Mall Group allocated to the Mall operating segment that should be reallocated to the newly identified operating segments (and consequently CGU Allegro.cz and CGU Allegro.sk). The Group considered all assets identified in the purchase price allocation process and determined that future cash-flows that are expected to be derived from software, domains and trademarks remain associated exclusively with Mall CGU (Operating Segment), hence they were excluded from the scope of relocation. The goodwill allocated previously to Mall Operating Segment was reallocated based on IAS 36 par. 87, which indicates that in case the entity reorganises the reporting structure in a way that changes the composition of cash-generating unit to which goodwill has been allocated, the goodwill should be reallocated to the units affected. At the same time, the CGU to which goodwill is allocated for impairment purposes should not be larger than an operating segment before aggregation. On this basis, the goodwill previously allocated to Mall Operating Segment was reallocated to three operating segments – Mall Operating Segment and Allegro.cz and Allegro.sk. The reallocation was performed using a relative fair value approach.

Furthermore, the assets in reference to which the future cash-flows are expected to materialise in Allegro.cz CGU and Allegro.sk CGU are customer relationships and goodwill. One of the main reasons for acquisition of Mall was an expansion of Allegro marketplace to foreign markets, thus the Group was in a substance buying the customer base currently owned by Mall as well as the potential access channel to all future customers from central Europe markets. Whilst the Mall is operating mainly in the 1P model, the valuation of the customer relationship prepared for the purposes of purchase price allocation assumed the transition of the existing customer base into the 3P model, being a typical strategy of the industry investor. The cash flows expected to be derived upon this transition were associated with the Allegro marketplaces that were expected to be launched on foreign markets. The Group is expecting to gradually migrate the clients that were making the purchases on the Mall platforms and realise the benefits from the acquired customer relationship in the Allegro International Reportable Segment. The reallocation of the customer relationship between the new operating segments (Allegro.cz and Allegro.sk) and Mall Operating segment was performed using the expected migration rates of customers from legacy Mall platforms to newly launched Allegro marketplaces. This resulted in allocating 310,270 PLN of customer relationship and 146,571 PLN of goodwill to CGU Allegro.cz and CGU Allegro.sk.

32.3
Current and deferred income tax

Corporate income tax for a reporting period comprises current and deferred tax. Current income tax is calculated on the basis of taxable income (tax base) for a given financial year and the binding tax rate, based on the binding tax regulations.

The Group is obliged to assess the likeliness of realising the deferred tax asset. In this assessment process a series of assumptions is adopted in respect of determining the amount of the deferred tax asset. The above-mentioned estimations account for the tax forecasts, historical amounts of tax charged, current available strategies relating to planning the Group's operations and dates, as well as the likeliness of realising particular temporary differences.

32.4
Impairment of trade receivables

The impairment allowance is recorded based on the impairment loss model, according to the expected credit losses concept. Losses are recognised, according to the default rate assessed of the homogenous group of customers and ageing of the trade receivables balance within the homogenous group. The default rates are calculated based on historical data for the previous 48 months. Additionally the Group calculates individual allowances for receivables where there is indication of impairment.

The impairment allowance is recorded based on the impairment loss model, according to the expected credit losses concept. In comparison to the previous year, losses are recognised, according to the default rate assessed for the one homogenous group of customers and ageing of the trade receivables balance within this group.

Detailed information on the impairment losses on receivables is disclosed in note 33.2 of the additional notes and explanations.

32.5
Amortisation of intangible assets

Amortisation is determined based on the expected economic useful lives of intangible assets. Every year the Group verifies the adopted economic useful lives on the basis of current estimates. In the event of a change to the economic useful life of an asset, its effect is recognised as the effect of a change in accounting estimates.

Sensitivity analysis of amortisation of significant intangible assets is presented below:

period change	Amortisation period sensitivity analysis of significant intangibles assets	
	shorter by 2 years	longer by 2 years
Customer relationships	(25,449)	19,136
Software	(135,081)	27,162
(Increase)/Decrease in amortisation charge	(160,530)	46,298

In 2024 the Group reviewed its amortisation rates and concluded there are no material changes to the previous estimates of the economic useful lives of its assets.

32.6
Intangible assets with indefinite useful lives

In the previous reporting period the Group changed the useful life of Allegro.pl trademark and domain from finite 20 years (with the annual amortisation charge of PLN 92,706) to indefinite. An analysis of product life cycle, market studies and research as well as competitive trends provides evidence that the brand will generate net cash inflows for the Group for an indefinite period. Allegro is a key player on the Central European market with a very strong brand awareness. In 2023 the Group made a crucial step towards international expansion via launch-

ing Allegro.cz., further strengthening its presence internationally. In 2024 the Group continued its expansion by launching Allegro.sk and Allegro.hu. The Group further intends to incur marketing expenditures which are necessary to sustain expected future economic benefits from brand and domain. Therefore, starting from October 2023 the trademark and domain is carried at cost without further amortisation charges, but is tested for impairment annually as part of Allegro CGU (disclosure of the impairment test is provided in the note 32.1)

32.7
Impact of IFRS 17 ‘Insurances’ on SMART! program

The Group analysed the impact of IFRS 17 on the program and concluded that it is not applicable in that respect. The underlying idea of the paid SMART! contract is to provide a buyer with a stand ready obligation to provide a delivery service or arrange for a delivery service, rather than to offer an insurance coverage or to accept an insurance risk resulting from uncertain future events. The usage of the service by the buyer is not triggered by an adverse effect on the buyer (a policyholder) as it only

appears when the buyer expresses its unconditional will to purchase goods on Allegro’s marketplace. In this type of contract Allegro accepts some level of uncertainty with regard to the final cost required to fulfil its obligation under the contract caused by the volume of orders placed by the buyer, yet it does not arise from the occurrence of an event that has an adverse effect on the buyer. Hence the paid SMART! contract does not fall within the scope of IFRS 17.

32.8
Estimates related to UOKiK proceedings

In December 2022, the Group received an unfavourable decision from the UOKiK (Office of Competition and Consumer Protection) in relation to antitrust proceedings. The UOKiK alleged that the Group abused its dominant position by favouring its own sales activity on the platform and imposed a fine in the amount of PLN 206,169. The Group has assessed that the UOKiK’s decision should not be upheld in court, thus no provision is recognised in this respect.

Note 35 describes all pending UOKiK proceedings assessing the likelihood of the fine being imposed to be not probable.

32.9
Effects of climate-related matters on financial statements

The climate and environmental risks are subject to risk management and the Risk Management Policy. The role of the Board of Directors is to supervise corporate risk, define the scope of risk management, define directions for the development of the risk management system, and determine risk appetite levels.

The Group analysed potential impact of the climate-related matters, especially on accounting estimates such as calculating recoverable amounts of fixed assets, accounts receivables, consumer loans and concluded that the climate-related matters do not affect these Consolidated Financial Statements.

For more information about climate matters please refer to Approach to Environmental, Social and Governance Issues presented as a part of the 2024 Annual Report.

32.10
Impact of IFRS 15 ‘Revenue from Contracts with Customers’ on the accounting policy of Smart! Program

In establishing revenue accounting policies to comply with IFRS 15, Management assessed whether the judgments applied ensure that the accounting presentation faithfully represents the economic substance of sales transactions and incentive programs (for further details, see note 9.5.).

33.
Financial risk management

This note explains the Group’s exposure to financial risks and how these risks could affect the Group’s future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk – interest rate	Long-term borrowings at floating rate Cash deposits – fixed rate Consumer loans – fixed rate	Sensitivity analysis	Interest rate swaps, offsetting cash deposits
Market risk – foreign exchange	Future commercial transactions Recognised financial assets liabilities not denominated in the functional currency of group entities	Cash flow forecasting Sensitivity analysis	Forward contracts
Market risk – price	Investment in money market fund units at fair value	Sensitivity analysis	Investment guidelines for debt instruments Portfolio diversification
Credit risk	Cash and cash equivalents Cash restricted Receivables	Credit ratings Ageing analysis	Diversification of bank deposits, fee deduction mechanism, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities Consumer loans repurchase agreement

33.1
Market risk

RISK OF CHANGES IN CASH FLOWS
RESULTING FROM INTEREST RATE
CHANGES

The Group has an exposure to interest rate risk arising on changes in interest rates in relation to borrowings, interest rate swaps and consumer loans.

Borrowings with floating interest rates expose the Group to the risk of changes in cash flows. The Group dynamically assesses its exposure to interest rate change risk and mitigates it by short-term cash deposits and by interest rate swap contracts ('IRS').

The Group has a hedge policy in place allowing 100% of interest rate risk exposure to be hedged. The future interest payments of the borrowings in the carrying value of PLN 5,788,158 are exposed to the changes in the future loan margin as explained in Note 23. As at 31 December 2024 the Group had 42% of notional value of borrowings covered by the hedging instruments compared to 66% for the comparative period, with the whole amount of borrowings bearing variable interest rate.

The consumer loans are interest free (30 days buy now pay later and 2 instalments 0% for SMART! users) or granted at fixed interest rate thus exposing the Group to the fair value risk which is reflected in the impact on profit/loss as these loans are measured at fair value through profit or loss.

IBOR REFORM

Following the financial crisis, the replacement of benchmark interest rates such as WIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. Consequently, the IBOR reform was launched in 2012, with the aim of creating alternative benchmark interest rates.

WIBOR has traditionally served as the reference interest rate for loans in the Polish interbank market. At the end of December 2024, the committee made up of representatives of Poland's government, banks and financial institutions had selected an index marked with the technical name WIRF – to replace the Warsaw Interbank Offered Rate (WIBOR) benchmark. The Steering Committee of the National Working Group decided on 24 January 2025 to choose the target name POLSTR (Polish Short Term Rate) for the proposed index. The new POLSTR will fully replace the Warsaw Interbank Offered Rate (WIBOR) until 2027. The Group has a number of contracts which reference WIBOR these contracts are disclosed within the table below. In the Group's contracts WIBOR has not yet been replaced by WIRF.

To account for replacement of WIBOR; with the alternative benchmark rate, the Group has applied Phase 1 and will apply the Phase 2 of the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark (IBOR) reform if the new basis for determining the contractual cash flows will be economically equivalent to the previous basis.

The following financial assets and financial liabilities may be impacted by the reform:

	Note	31.12.2024	31.12.2023
Carrying value of WIBOR-based liabilities		5,788,159	6,081,189
Borrowings – short term	23	—	2,702
Borrowings – long term	23	5,788,158	6,064,785
Derivative financial instruments (cash flow hedge)	28	—	13,703
Carrying value of WIBOR-based assets		32,123	89,191
Derivative financial instruments (cash flow hedge)	28	32,123	89,191

SENSITIVITY

The exposure of the Group's borrowings and IRS contracts to change in floating interest rate risk is presented in table below.

change in interest rate (ppt)	Interest rate change impact on profit/(loss) as at 31.12.2024					
	-2	-1	-0.5	0.5	1	2
Interest cost	119,150	59,575	29,788	(29,788)	(59,575)	(119,150)
Interest rate swap result	(50,000)	(25,000)	(12,500)	12,500	25,000	50,000
increase/(decrease) in interest expense	69,150	34,575	17,288	(17,288)	(34,575)	(69,150)
Impact on other components of equity (fair value gain/loss)	(122,859)	(61,430)	(30,715)	30,715	61,430	122,859

change in interest rate (ppt)	Interest rate change impact on profit/(loss) as at 31.12.2023					
	-2	-1	-0.5	0.5	1	2
Interest cost	125,150	62,575	31,288	(31,288)	(62,575)	(125,150)
Interest rate swap result	(82,500)	(41,250)	(20,625)	20,625	41,250	82,500
increase/(decrease) in interest expense	42,650	21,325	10,663	(10,663)	(21,325)	(42,650)
Impact on other components of equity (fair value gain/loss)	(61,743)	(31,253)	(16,008)	14,482	29,727	60,218

The Group verifies the ratings of counterparties and as at 31 December 2024, the Group held 87.2% and 12.8% of all its derivatives in banks with the ratings of A+ and A (as at 31 December 2023: 56.4% and 43.6% in banks with the ratings of A – and A+ respectively).

FOREIGN EXCHANGE RISK

Foreign exchange risk occurs as a result of sales or purchases made by the Group in currencies other than the functional currency of each of the Group's entities. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Polish Zloty (translated from EUR), was as follows:

	31.12.2024	31.12.2023
Lease liabilities	404,314	513,869
Cash and cash equivalents	506,675	292,041
Total	910,989	805,911

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	01.01-31.12.2024	01.01-31.12.2023
Exchange gains on foreign currency included in net financial costs	259,005	63,841
Exchange losses on foreign currency included in net financial costs	(292,237)	(137,190)
Total net foreign exchange/(losses) recognised in profit before income tax	(33,232)	(73,349)

The Group operates internationally and is exposed to foreign exchange risk, primarily EUR. The sensitivity of profit or loss to changes in the exchange rates arises mainly from EUR-denominated lease agreements and cash and cash equivalents held in EUR. The changes in foreign currencies did not have an impact on other components of equity. The decrease/increase of foreign currencies against the functional currencies of companies by 5% would result in recognition of PLN 25,331 gain or PLN 25,331 loss respectively (2023: PLN 11,091 gain or PLN 11,091 loss).

FAIR VALUE RISK

The Group is exposed to fair value risk related to interest rates associated with consumer loans measured at fair value through profit and loss ('FVTPL'). However, since consumer loans typically have a short-term nature, any fair value changes are likely to be limited and not have a significant impact on the overall financial position of the Group. The Group regularly monitors the fair value of its consumer loan portfolios and manages any potential risks that may arise.

In 2024, the Group purchased units in a money market fund measured at fair value through profit or loss. The Group is exposed to market price risk, which it mitigates by investing in the Fund having a balanced portfolio and investing in debt instruments with high liquidity and modest incremental return. Therefore, the fair value of the money market fund unit remains fairly constant over time.

The table below presents information about the assets and liabilities measured at Fair Value with the level of Fair Value hierarchy to which the measurement is classified:

	Note	The level of FV hierarchy
Consumer loans	19	3
Other financial assets (money market funds)	20	2
Derivative financial instruments (swap, forward, foreign exchange derivatives)	28	2
Derivative financial instruments (vPPA)	28	3

33.2
Credit risk

RISK MANAGEMENT

Financial assets representing the highest exposure to credit risk are cash and cash equivalents, cash restricted, trade receivables, consumer loans and derivative financial assets. To mitigate that risk, the Group uses detailed seller (customer) verification and monitoring procedures. The Group uses professional debt collection companies or engages in debt collection procedures on its own account. Moreover in 2023 the Group introduced a first phase of fee deduction mechanism that was completed in 2024, resulting in priority to draw the success fee earned on marketplace activities from the inflows that merchants are receiving from the customer. This resulted in the decrease of the receivables balance and translated to lower impairment loss recognised during the period.

The Group's receivables comprise amounts due from individuals and businesses. The receivables have low concentration. Surplus cash is deposited by the Group at banks as on-demand deposits or as fixed-term deposits.

	31.12.2024	31.12.2023
Impairment of receivables	14,572	47,731
Net impairment losses on financial assets	14,572	47,731

IMPAIRMENT OF FINANCIAL ASSETS

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables,
- cash and cash equivalents,
- restricted cash.

TRADE RECEIVABLES

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life-time expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 48 months before 31 December 2024 and 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted

to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables (such as unemployment rate). As a result of the introduction of the fee deduction mechanism, the impairment provision decreased compared to the previous year.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables and contract assets:

Ageing of receivables as at 31.12.2024	Current	Overdue less than 3 months	Overdue 3 to 12 months	Overdue 1 to 3 years	Over 3 years	Total trade receivables
Trade receivables, gross	149,230	65,144	19,073	21,907	1,293	256,648
Impairment of trade receivables	(1,128)	(2,360)	(15,328)	(18,007)	(1,293)	(38,117)
Probability of default ratio	0.8%	3.6%	80.4%	82.2%	100.0%	—
Trade receivables, net	148,102	62,784	3,745	3,900	—	218,531

Ageing of receivables as at 31.12.2023	Current	Overdue less than 3 months	Overdue 3 to 12 months	Overdue 1 to 3 years	Over 3 years	Total trade receivables
Trade receivables, gross	813,917	96,398	42,750	38,298	3,242	994,605
Impairment of trade receivables	(5,573)	(6,459)	(36,407)	(34,934)	(3,242)	(86,615)
Probability of default ratio	0.7%	6.7%	85.2%	91.2%	100.0%	—
Trade receivables, net	808,344	89,939	6,343	3,364	—	907,990

Carrying amount of the trade and other receivables balance represents the maximum exposure to the credit risk.

There are no significant concentrations of credit risk through exposure to individual customers, or specific industry sectors.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are subject to the impairment requirements of IFRS 9. The identified impairment loss was immaterial.

A loss allowance in relation to cash and cash equivalents is determined individually for each balance with a given financial institution. In order to assess credit risk, external credit ratings and publicly available information on default rates for a given rating of S&P Global Ratings agency (or EuroRating if S&P ratings are not published) were used (rating is disclosed in the Note below). As all cash balances have a low credit risk as at the reporting date, the Group applied the practical expedient available under IFRS 9 and determined the loss allowances based on 12-month expected credit losses. The calculation of the loss allowances resulted in an immaterial amount.

The whole cash and cash equivalents balance is classified to Stage 1 of the impairment loss model i.e. the financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

The carrying amount of the cash and cash equivalents balance represents the maximum exposure to the credit risk.

The Group does not have a significant concentration of credit risk, as the risk is spread over a large number of banks.

As at 31 December 2024 and 31 December 2023, the Group held its funds in individual banks with the following ratings:

	31.12.2024	31.12.2023
A+	35%	28%
A	32%	23%
A-	14%	—
BBB+	1%	4%
BBB	18%	43%
BBB-	—	—
without quoted rating	—	2%
	100%	100%

Six major banks in which the Group holds its cash and cash equivalents represent 24%, 17%, 16%, 8%, 6% and 6% of total balance as at 31 December 2024 respectively (as at 31 December 2023: 34%, 28%, 17%, 16% and 5%). One of the derivative contracts, representing 20% of carrying value of all derivatives, was concluded with the bank in which the Group holds 7% of cash and cash equivalent balance.

RESTRICTED CASH

The credit risk associated with restricted cash is limited, as the funds are held in electronic wallets as a gift cards and handled by payment service providers, that have obtained the permit granted by the National Supervision Authority to operate as “the national payment institution”. Management considers the credit risk arising from restricted cash to be immaterial, although the external credit ratings are not publicly available, as these payment providers are subject to the supervision of the National Supervision Authority.

Moreover, in order to ensure diversification and enhance the security of held funds in wallets, cash is held by two different payment providers in a proportions of 51% and 49%.

Restricted cash is subject to the impairment requirements of IFRS 9. The identified impairment loss is immaterial.



33.3
Liquidity risk

Operations are financed from the Group's own resources. The cash retained on bank accounts make it possible for the Group to settle its obligations as they arise in a timely manner.

As at 31 December 2024, the Group's outstanding bank borrowings amounted to PLN 5,957,500 (in nominal amounts). Considering:

- the generation of positive cash flows from operating activities,
- the long-term nature of borrowings,
- the balance of cash held, together with secured access to revolving credit facilities,
- the current and long-term cash flow analysis.

The Management believes liquidity risk to be minimal for the Group during the next 12 months.

Moreover, as at 31 December 2024, the Group had access to two undrawn revolving borrowing facilities totalling PLN 1,000,000.

LIABILITIES BY MATURITY, BASED ON UNDISCOUNTED CONTRACTUAL PAYMENTS

31.12.2024	Trade and refund liabilities ^[1]	Bank borrowings	Interest on loans	Lease liability	Derivative financial liabilities	Total
Less than 3 months	1,734,923	—	104,738	44,049	—	1,883,710
3 to 12 months	—	—	320,032	127,785	183	448,000
1 to 5 years	—	5,957,500	758,767	468,678	1,945	7,186,890
More than 5 years	—	—	—	6,235	766	7,001
Total	1,734,923	5,957,500	1,183,537	646,747	2,894	9,525,601

31.12.2023	Trade and refund liabilities ^[1]	Bank borrowings	Interest on loans	Lease liability	Derivative financial liabilities	Total
Less than 3 months	1,692,365	—	120,984	41,331	—	1,854,680
3 to 12 months	—	—	358,416	123,638	13,703	495,757
1 to 5 years	—	6,257,500	1,245,664	458,612	—	7,961,776
More than 5 years	—	—	—	55,407	—	55,407
Total	1,692,365	6,257,500	1,725,064	678,988	13,703	10,367,620

[1] the amount comprises the trade payables, refund liabilities, liabilities from the purchase of non-financial assets, liabilities from servicing arrangements (Note 27)

34.
Capital management

The Group defines its capital as the equity from the consolidated statement of financial position.

The main purpose of capital management is to ensure the Group's ability to continue as a going concern and to maintain safe capital ratios that would optimally support the operations of the Group and increase its shareholder value, bringing shareholders return on their investment.

The Group manages its capital structure and modifies it in response to changes in economic conditions. To maintain or correct the capital structure, the Group may repay capital to shareholders or issue new shares.

Under the terms of the current borrowings agreements signed, which have a carrying amount of PLN 5,788,158 (2023: PLN 6,067,487), the Group shall ensure total net leverage in respect of any relevant period ending on test date, shall not exceed a ratio indicated in the agreement. Net leverage is defined as net debt divided by Adjusted EBITDA for the preceding twelve months ('LTM'). As at 31

December 2024 and 31 December 2023 the Group did not violate any of the covenants indicated in the agreement, which were tested as of those dates.

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested as at the 30 June 2025 interim reporting date.

In 2024 the Group's leverage continued to decline rapidly, mostly due to the increase in LTM Adjusted EBITDA in the Polish Operations, and by a significant increase in the cash balance driven mainly by the full implementation of automated merchants' fee netting mechanism that was completed in Q1 2024, contributing to a significant reduction in Net Debt. Moreover the cash balance improved also as a result of participating in certain consumer loans originated by Allegro Pay but financed by the new funding partner Banco Santander S.A.

As at 31 December 2024 and 31 December 2023 the Group met its capital management objectives. The net leverage and gearing ratios at 31 December 2024 and 31 December 2023 were as follows:

	Note	31.12.2024	31.12.2023
LTM Adjusted EBITDA Polish Operations		3,586,478	2,957,551
LTM Adjusted EBITDA International Operations		(590,016)	(414,555)
Consolidation adjustment		(1,438)	(2,860)
Adjusted EBITDA LTM	9.2	2,995,025	2,540,136
Borrowings	23	(5,788,158)	(6,067,487)
Lease liabilities	15.1	(573,744)	(617,582)
Cash and cash equivalents	21	4,058,943	2,049,122
Net debt		(2,302,959)	(4,635,946)
Net leverage		0.77 x	1.83 x
Equity		10,087,151	9,043,326
Net debt to Equity		22.8%	51.3%

UNRECOGNISED ITEMS

35. Contingent liabilities

35.1 Legal proceedings

The Group is subject to following anti-trust and other legal proceedings proceedings as at the date of these financial statements:

ANTITRUST PROCEEDINGS RELATED TO ALLEGED ABUSE OF A DOMINANT POSITION BY FAVOURING OWN SALES ACTIVITY ON THE PLATFORM

On 29 December 2022 the UOKiK President issued a decision imposing a fine on Allegro in the amount of PLN 206,169 for the violation of competition law consisting in the abuse by Allegro of a dominant position on the Polish market of services of intermediation in on-line sales between entrepreneurs and individual customers, offered to sellers on e-commerce platforms, by using, for the purposes of operating its 1P business: (a) information on the functioning of the Allegro marketplace and the behaviour of buyers on the platform, which was not available to 3P merchants or was available to them only to a limited extent; and (b) certain sales and advertising tools of the platform which were not available to 3P merchants or were available to them only to a limited extent. The decision ends the antitrust proceedings regarding the potential abuse of a dominant position initiated in December 2019.

Allegro does not agree with the decision and appealed it to the Court of First Instance on 2 February 2023. Allegro remains of the opinion that the OCCP President defined the market too narrowly, Allegro does not hold a dominant position and it did not favour 1P in any anti competitive way.

Since the date of the last annual report, the OCCP President filed its response to Allegro's appeal. There were no substantially new arguments in that response. In February 2024, Allegro made an additional submission to the court with additional argumentation.

As of the date of this Annual Consolidated Financial Statements, the court has not announced the date of the first hearing. The judgement of the Court of First Instance may be appealed to the Court of Appeal and ultimately to the Supreme Court. Courts may uphold or annul the decision or significantly decrease the fine. The fine, if sustained, becomes due and payable only upon ruling of the Court of Appeal.

It is more likely than not that the fine imposed on Allegro will not become due and payable. According to the Group's Management view supported by external counsel opinion, the UOKiK's decision should not be upheld in court, and even if not annulled, the courts tend to significantly reduce fines imposed by the UOKiK however it can not be reliably measured. For these reasons no provision has been created.

LEGAL DISPUTES RELATING TO THE MINORITY STAKE OF SHARES IN EBILET

The Group is aware of certain pending legal disputes between individuals associated with Bola Investment 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"). eBilet Polska has been part of the Group since April 2019. eBilet sp. z o.o. is not, and has never been, part of the Group.

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 Annual Consolidated Financial Statements, the Group has no reason to believe that the outcome of the case in question would have a material impact on the Group.

The Group operating entities are also a subject to other proceedings, which are considered to be insignificant. Moreover, there are ongoing explanatory proceedings conducted by the UOKiK president, which are not disclosed in details, as those proceedings are a preliminary step that does not have to lead to the initiation of formal proceedings.

36. Assets pledged as security

After the Group concluded a Senior Facilities Agreement on 29 September 2020, pledges and security interest were determined as the following:

- share pledge on the shares of Allegro and Ceneo.pl represented in the consolidated financial statements as net assets in the amount of PLN 10,709,573;
- registered pledge granted by Allego and Ceneo.pl over key trademarks owned by Allegro and Ceneo.pl, together with a Polish law power of attorney in respect of the Allegro.pl and Ceneo.pl key web domain in amount of PLN 840,637 (included in the net assets above);
- a Polish law submission to enforcement by each of Allegro and Ceneo.pl and Allegro.eu.

37. Commitments

37.1 Capital commitments

INTANGIBLE ASSETS

As at 31 December 2024, the Group's future contractual commitments for expenditure on intangible assets not recognised in the statement of financial position amounted to PLN 105,607 and were mainly related to software development. Contractual commitments as at 31 December 2023 amounted to PLN 92,270.

38.
Events occurring after the reporting year

**TERMINATION OF THE COOPERATION AGREEMENT AMONG ALLEGRO PAY SP. Z O.O.,
ALLEGRO SP. Z O.O., AION BANK SA / NV AND VODENO SP. Z O.O. REGARDING THE
SERVICES IN THE BANKING-AS-A-SERVICE MODEL**

On 29 January 2025 Allegro Pay sp. z o.o. and Allegro sp. z o.o. decided to terminate the Banking-as-a-Service Agreement with Aion Bank SA / NV and Vodeno sp. z o.o., concerning offering Allegro Cash accounts. The notice period is 6 months and expires on 31 July 2025. The service will be supported during the termination period. The termination of the cooperation agreement will not have any significant impact on the Group's future financial results.

The Group emphasises that the termination of the Cooperation Agreement is not related to and does not affect the Receivables Purchase Agreement of 11 October 2021, which regulates cooperation on the disposal of receivables.



**PROCEEDINGS AGAINST ALLEGRO SP. Z O.O. FOR SUSPECTED UNFAIR COMMERCIAL
PRACTICES RELATED TO THEIR "LOWEST PRICE GUARANTEE" CAMPAIGN IN HUNGARY**

On 10 February 2025 the Group received a letter from the Hungarian Competition Authority stating that it launched a formal proceeding against Allegro sp. z o.o. for suspected unfair commercial practices related to their "Lowest Price Guarantee" campaign in Hungary. Allegro also received a related information request.

The Hungarian Competition Authority suspects that:

1. Allegro provides untimely information to consumers on the conditions of the price guarantee scheme – which may constitute misleading omission;
2. Allegro does not act with the due diligence that can be expected in accordance with the principle of good faith and fairness, as it has designed its price guarantee scheme with multiple restrictive conditions that make it difficult for the consumer to enforce the claim and to use the coupon that can be obtained within the framework of the guarantee, which distorts consumers' transactional decision on www.allegro.hu and the Allegro mobile app.

The proceedings cover all commercial communications related to the "Best Price Guarantee" program since 1 October 2024.

The proceeding is at its early stage and its result is unknown. Such a proceedings can last usually up to 1.5 years (or more) and can end up with an infringement decision with or without a fine or with a commitment decision without a fine, or with a non-infringement decision. The decision of the Hungarian Competition Authority is immediately enforceable but can be appealed to the Court of First Instance. There is no appeal against the Court of First Instance's judgment, but it is possible to seek extraordinary judicial review by the Supreme Court on questions of law.

The maximum penalty in this case is up to 15% of Allegro sp. z o.o. yearly global turnover, however, in practice in similar cases the Hungarian Competition Authority calculates the fine taking into account a small percentage of the local turnover in Hungary during the infringement period as a starting point, to be adjusted based on various factors.

The opening of the proceeding does not yet lead to the conclusion of the case as to its merits nor does it prejudice that the proceedings will be concluded with a decision imposing a penalty or determining the exact amount of such penalty. Allegro will duly cooperate with the authority, and to that end, Allegro will, for the time being, not launch a new campaign in Hungary from 1 March 2025.

OTHER INFORMATION

39.
Related party transactions

Transactions with related parties referred to settle-
ments of consulting and management services. All
transactions were entered into on an arm's length
basis.

The Group made the following related party trans-
actions in the period ended 31 December 2024 and
31 December 2023:

Related party	01.01 – 31.12.2024				As at 31.12.2024		
	Revenues	Expenses	Financial income	Financial costs	Receiva- bles	Payables	Loans granted
Associates:							
Polskie Badania Internetu sp. z o.o.	—	347	—	—	—	—	—
Allegro Foundation (previously Fundacja Allegro All For Planet)	106	1,590	—	—	—	28	—
Other:							
Business Office Services.	—	735	—	—	—	—	—
Alter Domus Luxembourg S.à r.l.	—	463	—	—	—	23	—
Total	106	3,135	—	—	—	51	—

Related party	01.01 – 31.12.2023				As at 31.12.2023		
	Revenues	Expenses	Financial income	Financial costs	Receiva- bles	Payables	Loans granted
Associates:							
Polskie Badania Internetu sp. z o.o.	—	353	—	—	—	29	—
Allegro Foundation (previously Fundacja Allegro All For Planet)	91	1,390	—	—	23	—	—
Other:							
Business Office Services.	—	495	—	—	—	—	—
Alter Domus Luxembourg S.à r.l.	—	547	—	—	—	67	—
Total	91	2,785	—	—	23	96	—

40.
Employment

The table below shows the number of employees
as at the reporting date ended 31 December 2024
and 31 December 2023:

	31.12.2024	31.12.2023
Contract of employment	5,980	5,514
Contractors (B2B), work agencies & outsourced service	907	1,110
Total	6,887	6,624

41.
Emoluments of the management

Emoluments of the key management of the Group
entities comprised:

	31.12.2024	31.12.2023
Short-term employee benefits	14,647	13,341
Share-based payment	7,464	9,177
Total	22,111	22,518

Total emoluments of the Group's Key Management
include remuneration, benefits, severance costs,
signing bonuses and the cost of the Allegro Incentive
Program. In 2024, the definition of Key Manage-
ment was amended. The data for both 2023 and
2024 has been prepared based on this updated
definition, which states that Key Management of
the Group comprises the Board Members of the
Parent Company.

42.
Audit fee

The table below presents the net audit fees due for the reporting period ended on 31 December 2024 and on 31 December 2023 by type of service provided towards the Group by PricewaterhouseCoopers, Société coopérative Luxembourg and entities from PwC Network.

	31.12.2024	31.12.2023
Statutory annual audit	3,897	4,014
Half-year reviews	590	602
Other	1,772	195
Total	6,259	4,811

The above services are considered permissible under relevant EU, Luxembourg, Polish, Czech Republic, Croatia, Slovakia, Hungary and Slovenia independence regulations. PwC confirmed independence to the Audit Committee during the 2024 audit and at the closing meeting on 11 March 2025. The other services in 2024 and 2023 include the audit of the annual Sustainability Statement and the audit of data migration, with the Sustainability Statement audit representing the vast majority of the total amount. These matters were subject to the approval of the Audit Committee.

