

# allegro

STANDALONE ANNUAL REPORT OF  
ALLEGRO.EU SOCIÉTÉ ANONYME

Audited annual accounts for the financial year  
ended 31 December 2020



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# Management Report

The Board of Directors of Allegro.eu (the "Company") takes pleasure in presenting their annual report together with the annual accounts of the Company as of and for the year ended 31 December 2020.

Allegro.eu is 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 B214.830.

Allegro.eu is a holding company. It operates, through its subsidiaries, the leading online marketplace in Poland, Allegro.pl, and the leading price comparison platform in Poland, Ceneo.pl. Allegro.pl and Ceneo.pl are the Group's key operating companies 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 Company is a Public Interest Entity.

The Company has no branches.

## IMPORTANT EVENTS FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

On 27 August 2020, an Extraordinary General Meeting of shareholders resolved to change the name of the Company from Adinan Super Topco to Allegro.eu and to convert its legal form from a "Société à Responsabilité Limitée" into a "Société Anonyme".

On 12 October 2020, the Company transferred its registered office from 4, rue Albert Borschette, L-1246 Luxembourg to 1, rue Hildegard von Bingen, L-1282 Luxembourg.

On 12 October 2020 the Company debuted on the Warsaw Stock Exchange under the ticker "ALE".

On 21 December 2020, the Company dissolved its direct subsidiary Adinan Topco and took over all its assets and liabilities. As a consequence, the Company became the sole shareholder of Adinan Midco.

## REVIEW AND DEVELOPMENT OF THE COMPANY'S BUSINESS AND FINANCIAL POSITION AND FUTURE DEVELOPMENTS

The main position on the Company's balance sheet are the shares held in its subsidiaries, PLN 6,708,9 million and PLN 5,641,6 million as of 31 December 2020 and 31 December 2019, respectively. The changes in shares in the affiliated undertakings are described in Note 3.1 to the financial statements.

The Company did not generate any operating revenues in 2020 and 2019.

The net result for the financial year ended 31 December 2020 is a loss amounting to PLN 265,978,1 thousand (2019: PLN 180.8 thousand). The increase in accumulated loss is primarily the result of IPO related consulting and advisory fees, foreign currency exchange, and the carryover of the net loss of Adinan Topco upon its dissolution on 21 December 2020.

As described in Note 10 to the accounts, the Company has introduced the "Allegro Incentive Plan", a share-based compensation scheme for its Executive Directors and employees. The first grant under the program will be in April 2021.

As of 31 December 2020, the Company does not hold any of its own shares.

The Board of Directors intends for the Company to operate in the current business model in the medium term.

## SHARE CAPITAL OF THE COMPANY

The subscribed capital, amounting to PLN 10,232,558.14, is represented by 1,023,255,814 ordinary shares with a nominal value of PLN 0.01 each.

As of the date of this Report, 31.39% of the outstanding shares are controlled by shareholders Cidinan S.à r.l, representing the interests of Cinven & Co-Investors, 31.39% by Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors, and 6.98% by Mepinan S.à r.l., representing the interests of Mid Europa Partners Funds.

The remaining 30.24% is owned by other shareholders. 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.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Company's primary risk, as a holding company, is the valuation of its financial assets. This valuation is relative to the market conditions and the results of operations of the underlying businesses. The Company ultimately has a 100% stake in Allegro.pl – the leading online marketplace in Poland and Ceneo.pl – the leading price comparison platform in Poland. Their trading in 2020 indicates no premises for impairment charges to be applied against the financial assets of the Company.

Principal measures to mitigate this risk include direct and indirect oversight of the Board of Directors of the company on the day-to-day operations of the operating companies.

## RESEARCH AND DEVELOPMENT

The Company did not have any expenditure related to research and development in 2020 and 2019. R&D activities and innovation are a fundamental part of business activities performed by the Company's subsidiaries, described in the Annual Consolidated Report of the Group.

## CORPORATE GOVERNANCE STATEMENT

The Company adheres to the Warsaw Stock Exchange Best Practices <sup>[1]</sup>. Where the Company is non-compliant or only partly adopts a certain rule, it is disclosed on the Company's Investor Relations website ([www.allegro.eu](http://www.allegro.eu) / Investors / Corporate Governance, hereinafter "Company's IR website").

[1] Code of Best Practice for WSE-listed companies (attachment to Resolution No. 17/1249/2015 of the Exchange Board dated 19 May 2015 and adopted in accordance with §29.1 of the Exchange Rules), being a set of rules and recommendations concerning corporate governance prevailing on the WSE, available at: <https://www.gpw.pl/best-practice>

## LEGAL RISKS

Any legal risk is properly addressed by the legal department of the Company and external external counsels to ensure compliance with all regulations in force.

## IMPORTANT EVENTS SINCE THE BALANCE SHEET DATE

No significant events have occurred since the end of the financial year that would require a separate disclosure in the standalone financial statements.

The system of internal control is governed by the Audit Committee of the Board of Directors and operationally by the Risk Committee reporting to the Audit Committee. The Company constantly monitors and appropriately addresses the risks through appropriate internal controls, based on the risk severity.

The Company is strongly committed to be an equal opportunities employer, where every employee is respected and supported to reach their highest potential. The Company fosters a work environment where people can speak up to remove barriers to success, collaborate, and put the best ideas into practice. To emphasise the importance of the matter the Diversity Policy was adopted by the Board of Directors on 17 December 2020. It is available on the Company's IR website.

## THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Name	Year appointed for the current term to the Board of Directors	Year term expires	Resigned on	Representing
Darren Huston	2020	2026	—	Non-Executive Chairman
François Nuyts	2020	2026	—	Executive Director
Jonathan Eastick	2020	2026	—	Executive Director
David Barker	2020	2026	—	Cinven
Richard Sanders	2020	2026	—	Permira
Paweł Padusiński	2020	2026	—	Mid Europa Partners
Nancy Cruickshank	2020	2026	—	Independent Non-Executive Director
Carla Smits-Nusteling	2020	2026	—	Independent Non-Executive Director
Danielle Arendt-Michels	2020	—	12 October 2020	Cinven
Gautier Laurent	2020	—	12 October 2020	Cinven
Séverine Michel	2020	—	12 October 2020	Permira
Cédric Pedoni	2020	—	12 October 2020	Permira
Gilles Willy Duroy	2020	—	12 October 2020	Mid Europa Partners

The Audit Committee consists of David Barker, Nancy Cruickshank, and Carla Smits-Nusteling (who serves as chairperson of the Audit Committee).

The Remuneration and Nomination Committee consists of Nancy Cruickshank, Darren Huston (who serves as chairperson of the Remuneration and Nomination Committee), and Carla Smits-Nusteling.



## Audit report

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

## Report on the audit of the annual accounts

### Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Allegro.eu S.A. (the "Company") as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee.

### What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

### 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 annual accounts" 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 Company 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 annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

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.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the corporate governance statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

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 annual accounts, 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 Company’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 Company’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 annual accounts 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 Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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 annual accounts 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.

### Report on other legal and regulatory requirements

The management report is consistent with the annual accounts 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 annual accounts 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 27 August 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 3 March 2021

Véronique Lefebvre

# BALANCE SHEET

Financial year from 01.01.2020 to 31.12.2020  
(in PLN)

ASSETS	References	Current year	Previous year
<b>A. Subscribed capital unpaid</b>		—	—
I. Subscribed capital not called		—	—
II. Subscribed capital called but unpaid		—	—
<b>B. Formation expenses</b>		—	—
<b>C. Fixed assets</b>		<b>6,709,061,418.94</b>	<b>5,641,563,111.71</b>
I. Intangible assets		—	—
1. Costs of development		—	—
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were		—	—
a) acquired for valuable consideration and need not be shown under C.I.3		—	—
b) created by the undertaking itself		—	—
3. Goodwill, to the extent that it was acquired for valuable consideration		—	—
4. Payments on account and intangible assets under development		—	—
II. Tangible assets		—	—
1. Land and buildings		—	—
2. Plant and machinery		—	—
3. Other fixtures and fittings, tools and equipment		—	—
4. Payments on account and tangible assets in the course of construction		—	—
III. Financial assets	2.2.2, 3	6,709,061,418.94	5,641,563,111.71
1. Shares in affiliated undertakings	3.1	6,708,922,772.39	5,641,563,111.71
2. Loans to affiliated undertakings		—	—
3. Participating interests		—	—
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests		—	—
5. Investments held as fixed assets		—	—
6. Other loans	3.2	138,646.55	0.00

ASSETS	References	Current year	Previous year
<b>D. Current assets</b>		<b>48,109,180.68</b>	<b>822,621.20</b>
I. Stocks		—	—
1. Raw materials and consumables		—	—
2. Work in progress		—	—
3. Finished goods and goods for resale		—	—
4. Payments on account		—	—
II. Debtors	2.2.3, 4	4,111,883.97	74,494.00
1. Trade debtors		907,629.19	0.00
a) becoming due and payable within one year		907,629.19	0.00
b) becoming due and payable after more than one year		—	—
2. Amounts owed by affiliated undertakings	4.1	1,601,746.02	74,494.00
a) becoming due and payable within one year	4.1.1	1,601,746.02	74,494.00
b) becoming due and payable after more than one year		—	—
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests		—	—
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year		—	—
4. Other debtors		1,602,508.76	0.00
a) becoming due and payable within one year	2.2.7	1,602,508.76	0.00
b) becoming due and payable after more than one year		—	—
III. Investments		—	—
1. Shares in affiliated undertakings		—	—
2. Own shares		—	—
3. Other investments		—	—
IV. Cash at bank and in hand		43,997,296.71	748,127.20
<b>E. Prepayments</b>	<b>2.2.5, 5</b>	<b>14,262,270.62</b>	<b>0.00</b>
<b>TOTAL (ASSETS)</b>		<b>6,771,432,870.24</b>	<b>5,642,385,732.91</b>

CAPITAL, RESERVES AND LIABILITIES	References	Current year	Previous year
<b>A. Capital and reserves</b>	<b>6</b>	<b>6,763,637,417.78</b>	<b>5,641,441,719.78</b>
I. Subscribed capital	6.1	10,232,558.14	439,739,381.94
II. Share premium account	6.2	7,020,034,346.14	5,202,311,775.16
III. Revaluation reserve		—	—
IV. Reserves		—	—
1. Legal reserve		—	—
2. Reserve for own shares		—	—
3. Reserves provided for by the articles of association		—	—
4. Other reserves, including the fair value reserve		—	—
a) other available reserves		—	—
b) other non available reserves		—	—
V. Profit or loss brought forward		(651,371.22)	(428,626.68)
VI. Profit or loss for the financial year		(265,978,115.28)	(180,810.64)
VII. Interim dividends		—	—
VIII. Capital investment subsidies		—	—
<b>B. Provisions</b>		—	—
1. Provisions for pensions and similar obligations		—	—
2. Provisions for taxation		—	—
3. Other provisions		—	—
<b>C. Creditors</b>	<b>2.2.6, 7</b>	<b>4,474,723.48</b>	<b>944,013.13</b>
1. Debenture loans		—	—
a) Convertible loans		—	—
i) becoming due and payable within one year		—	—
ii) becoming due and payable after more than one year		—	—
b) Non convertible loans		—	—
i) becoming due and payable within one year		—	—
ii) becoming due and payable after more than one year		—	—
2. Amounts owed to credit institutions		—	—
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year		—	—

CAPITAL, RESERVES AND LIABILITIES	References	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks		—	—
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year		—	—
4. Trade creditors	7.1	2,911,369.41	92,653.13
a) becoming due and payable within one year	7.1.1	2,911,369.41	92,653.13
b) becoming due and payable after more than one year		—	—
5. Bills of exchange payable		—	—
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year		—	—
6. Amounts owed to affiliated undertakings	7.2	0.00	851,360.00
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year	7.2.1	0.00	851,360.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests		—	—
a) becoming due and payable within one year		—	—
b) becoming due and payable after more than one year		—	—
8. Other creditors	7.3	1,563,354.07	0.00
a) Tax authorities	2.2.7	1,430,062.05	0.00
b) Social security authorities		60,644.73	0.00
c) Other creditors		72,647.29	0.00
i) becoming due and payable within one year		72,647.29	0.00
ii) becoming due and payable after more than one year		—	—
<b>D. Deferred income</b>	<b>2.2.8</b>	<b>3,320,728.98</b>	<b>0.00</b>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		<b>6,771,432,870.24</b>	<b>5,642,385,732.91</b>



# PROFIT AND LOSS ACCOUNT

Financial year from 01.01.2020 to 31.12.2020  
(in PLN)

PROFIT AND LOSS ACCOUNT	References	Current year	Previous year
<b>1. Net turnover</b>		—	—
<b>2. Variation in stocks of finished goods and in work in progress</b>		—	—
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>		—	—
<b>4. Other operating income</b>	<b>8</b>	<b>2,568,742.77</b>	<b>0.00</b>
<b>5. Raw materials and consumables and other external expenses</b>		<b>(69,357,292.11)</b>	<b>(158,600.53)</b>
a) Raw materials and consumables		—	—
b) Other external expenses	9	(69,357,292.11)	(158,600.53)
<b>6. Staff costs</b>	<b>10</b>	<b>(568,793.36)</b>	<b>0.00</b>
a) Wages and salaries		(547,694.31)	0.00
b) Social security costs		(21,099.05)	0.00
i) relating to pensions		(13,154.91)	0.00
ii) other social security costs		(7,944.14)	0.00
c) Other staff costs		—	—
<b>7. Value adjustments</b>		—	—
a) in respect of formation expenses and of tangible and intangible fixed assets		—	—
b) in respect of current assets		—	—
<b>8. Other operating expenses</b>	<b>11</b>	<b>(2,240,877.46)</b>	<b>0.00</b>
<b>9. Income from participating interests</b>		—	—
a) derived from affiliated undertakings		—	—
b) other income from participating interests		—	—

PROFIT AND LOSS ACCOUNT	References	Current year	Previous year
<b>10. Income from other investments and loans forming part of the fixed assets</b>		—	—
a) derived from affiliated undertakings		—	—
b) other income not included under a)		—	—
<b>11. Other interest receivable and similar income</b>	<b>12</b>	<b>2,381,583.23</b>	<b>0.00</b>
a) derived from affiliated undertakings	12.1	8,531.40	0.00
b) other interest and similar income	12.2	2,373,051.83	0.00
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>		—	—
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>		—	—
<b>14. Interest payable and similar expenses</b>	<b>13</b>	<b>(198,739,522.13)</b>	<b>(1,713.62)</b>
a) concerning affiliated undertakings	13.1	(169,656,554.71)	0.00
b) other interest and similar expenses	13.2	(29,082,967.42)	(1,713.62)
<b>15. Tax on profit or loss</b>		—	—
<b>16. Profit or loss after taxation</b>		<b>(265,956,159.06)</b>	<b>(160,314.15)</b>
<b>17. Other taxes not shown under items 1 to 16</b>	<b>14</b>	<b>(21,956.22)</b>	<b>(20,496.49)</b>
<b>18. Profit or loss for the financial year</b>		<b>(265,978,115.28)</b>	<b>(180,810.64)</b>

# Notes to the annual accounts as of and for the year ended 31 December 2020

## 1. General information

Allegro.eu (formerly named Adinan Super Topco S.à r.l.) (the "Company") was incorporated on 5 May 2017 and is organised under the laws of Luxembourg as a Société Anonyme (a public limited liability company) for an unlimited period, subject to general company law.

On 27 August 2020, an Extraordinary General Meeting of shareholders resolved to change the name of the Company from Adinan Super Topco to Allegro.eu and to convert its legal form from a "Société à Responsabilité Limitée" into a "Société Anonyme".

On 12 October 2020, the Company transferred its registered office from 4, rue Albert Borschette, L-1246 Luxembourg to 1, rue Hildegard von Bingen, L-1282 Luxembourg.

The Company is listed under "ALE" on the Warsaw Stock Exchange since 12 October 2020 (see Note 6.1) and qualifies as such as a Public Interest Entity.

The Company's financial year begins on 1 January and ends on 31 December each year.

The main activity of the Company is the acquisition, holding, management, and disposal of participations and any interests, in any form whatsoever, in Luxembourg and foreign companies, or other business entities, enterprises or investments, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes, certificates of deposit, and any other securities or financial instruments of any kind, and the ownership, administration, development, and management of its portfolio.

The Company may participate in the creation, development, management and control of any company or enterprise and may invest in any way and in any type of assets. The Company may also hold interests in partnerships and carry out its business through branches in Luxembourg or abroad.

The Company may borrow in any form and issue convertible or nonconvertible bonds, notes and debentures or any kind of debt or equity securities.

The Company may lend funds, including without limitation, resulting from any borrowings of the Company or from the issue of any equity or debt securities of any kind, to its subsidiaries, affiliated companies, or any other company or enterprise as it deems fit.

The Company may give guarantees and grant securities to any third party for its own obligations and undertakings as well as for the obligations of any company or other enterprise in which the Company has an interest or which forms part of the group of companies to which the Company belongs or any other company or enterprise as it deems fit and generally for its own benefit or such enterprises' benefit.

In a general fashion it may grant assistance in any way it deems fit to companies or other enterprises in which the Company has an interest or which form part of the group of companies to which the Company belongs or any other company or enterprise as it deems fit, take any controlling and supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes.

The Company may generally employ any techniques and instruments relating to or with respect to any of its investments for the purposes of efficient management, including without limitation techniques and instruments designed to protect the Company against credit currency exchange, interest rate risks and other risks.

Finally, the Company can perform all commercial, technical, and financial or other operations, connected directly or indirectly in all areas in order to facilitate the accomplishment of its purpose.

The Company also prepares consolidated accounts, which are subject to publication as prescribed by the Luxembourg law.

On 29 September 2020, an Extraordinary General Meeting of shareholders resolved to convert the subscribed capital of the Company from Euro ("EUR") to Polish Zloty ("PLN") on the basis of the exchange rate available on 28 September 2020 according to which EUR 1.00 is equivalent to PLN 4.5497 (the "Conversion Rate"). As at 29 September 2020, all assets and liabilities were translated using the Conversion Rate. For comparison purposes, the figures from the Balance Sheet and the Profit and Loss Account for the year ended 31 December 2019 have been converted into PLN on the basis of the exchange rate available on 31 December 2019 according to which EUR 1.00 is equivalent to PLN 4.2568 (see Note 6.1).

# 2.

## Summary of significant accounting policies

### 2.1. GENERAL PRINCIPLES

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and according to generally accepted accounting principles applicable to commercial companies in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Company's Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the year in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Grand-Ducal Regulation of 12 September 2019 determining the content of the standard chart of accounts as per Article 12 of the Commercial code revised the Luxembourg Standard Chart of Accounts ("SCA") dated 10 June 2009. This new SCA applies to year beginning on or after 1 January 2020 to be filed with the Register of Commerce and Companies from 2021 onwards. As a result, this new SCA has been transposed in these annual accounts.

### 2.2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company can be summarised as follows:

#### 2.2.1. FORMATION EXPENSES

Formation expenses are fully amortised during the period in which they are incurred.

#### 2.2.2. FINANCIAL ASSETS

Shares in affiliated undertakings are valued at their historical acquisition cost, including incidental costs of acquisition.

Amounts owed by affiliated undertakings are valued at their nominal value.

If the Board of Directors determines that a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

#### 2.2.3. DEBTORS

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

#### 2.2.4. FOREIGN CURRENCY TRANSLATION

The Company maintained its books and records in EUR for the period from 1 January 2020 to 28 September 2020 and in PLN for the period from 29 September 2020 to 31 December 2020.

All transactions expressed in another currency than PLN before 29 September 2020 were translated in PLN on 29 September 2020 using the Conversion Rate. As from 29 September 2020 all transactions expressed in another currency than PLN are translated in PLN at the exchange rate prevailing at the transaction date.

Financial assets expressed in a currency other than PLN are translated to PLN at the Conversion Rate on 29 September 2020. As from this date, the translated amounts to PLN have become the new historical cost. At the balance sheet date, these financial assets are maintained at their historical exchange rate.

Cash at banks is translated at the exchange rate as of the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are valued individually at the lower or the higher, respectively, of their value at the historical exchange rate or at their value determined at the exchange rate as of the balance sheet date. Only the unrealised exchange losses are accounted for in the profit and loss account. Realised exchange gains and losses are accounted for in the profit and loss account at the date of the transaction.

In the case where there is an economic link between a current asset and a current liability, the respective asset and liability are translated in total and only the unrealised net exchange loss is accounted for in the profit and loss account.

## 2.2.5. PREPAYMENTS

This item includes charges incurred during the financial year but attributable to a subsequent financial year.

## 2.2.6. CREDITORS

Creditors are recorded at their historical value. Any interest payable on loans is accounted for in the profit and loss account in the year in which it becomes payable.

## 2.2.7. OTHER CREDITORS – TAX AUTHORITIES

This item includes the tax liability estimated by the Company for the financial years for which the Company has not been assessed yet. The advance payments are disclosed in the assets of the balance sheet under "Other debtors".

## 2.2.8. DEFERRED INCOME

This item includes income received during the financial year but attributable to a subsequent financial year.

## 2.2.9. GOING CONCERN

The existence of coronavirus (SARS-Cov-2) was confirmed in early 2020 and the virus has spread across Poland and most of the world, causing disruptions to businesses and economic activity. On 11th March 2020, the World Health Organisation ("WHO") declared COVID-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy.

The pandemic had a positive impact on revenues generated by companies operating in the online marketplace industry and a negative impact on online ticket distribution. The Financial Statements were prepared on the assumption that the Company would continue as a going concern for at least 12 months subsequent to the date of the authorization of these Financial Statements.

In making this going concern assumption the Board of Directors took into consideration the impact of the Covid-19 crisis on the Group's business, noting that operations have continued with minimal disruption since most staff moved to home working mode on 12 March 2020 and that the Group's sales increased following the imposition of COVID-19 related lockdown measures by the Polish government.

The Board of Directors has performed an annual impairment test of its financial assets, comprising ultimately of shares in its main operating companies Allegro.pl sp. z o.o. and Ceneo.pl sp. z o.o., concluding that there is no impairment risk unless severe COVID-19 disruptions of events continue into 2022 and the medium term.

The Board of Directors continues to closely monitor developments of COVID-19 and their impact on the Company and the Group.



# 3.

## Financial assets

### 3.1. SHARES IN AFFILIATED UNDERTAKINGS

The shares in affiliated undertakings are as follows:

Name of the company	Registered office	Percentage of ownership	Gross book value as at 01.01.2020 [PLN]	Accumulated value adjustment as at 01.01.2020 [PLN]	Net book value as at 01.01.2020 [PLN]	Additions/(disposals)/(transfers) for the year [PLN]	(Value adjustment allocations)/reversals for the year [PLN]	Net book value as at 31.12.2020 [PLN]	Last balance sheet date	Net equity at the balance sheet date (unaudited) [PLN]	Results of the last financial year (unaudited) [PLN]
Adinan Topco S.à r.l. ("Topco")	1 rue Hildegard von Bingen, L-1282 Luxembourg	100.00%	5,641,563,111.71 EUR 1,325,306,124.72	—	5,641,563,111.71 EUR 1,325,306,124.72	Additions: 1,250,112,013.16 EUR 192,403,645.07 Disposals: (6,891,675,124.87) (EUR 1,517,709,769.79)	—	—	N/A	N/A	N/A
Adinan Midco S.à r.l. ("Midco")	1 rue Hildegard von Bingen, L-1282 Luxembourg	100.00%	—	—	—	6,708,922,772.39	—	6,708,922,772.39	31.12.2020	6,818,159,125.44*	516,493,202.99*
<b>TOTAL</b>			<b>5,641,563,111.71</b>	<b>—</b>	<b>5,641,563,111.71</b>	<b>1,067,359,660.68</b>	<b>—</b>	<b>6,708,922,772.39</b>	<b>—</b>	<b>—</b>	<b>—</b>

\* The figures are based on the latest unaudited accounts available.

On 24 August and 24 September 2020, Topco repaid part of its share premium to the Company for an amount of EUR 850,000.00 and EUR 1,000,000.00 (equivalent to PLN 3,867,245.00 and PLN 4,549,700.00 at Conversion Rate), respectively.

As a result of the conversion of the functional currency of the Company on 29 September 2020, the shares in the affiliated undertakings amount was converted from EUR into PLN on the basis of the Conversion Rate.

On 13 October 2020 the Company contributed to the equity of Topco for an amount of PLN 861,929,849.20 (equivalent to EUR 192,403,645.07) and consequently raised its total investment in Topco from PLN 6,021,328,330.67 (equivalent to EUR 1,323,456,124.72 at Conversion Rate) to PLN 6,883,258,179.87 (equivalent to EUR 1,515,859,769.79).

On 21 December 2020, the Company dissolved Topco and took over all assets and liabilities of Topco. As a consequence, the Company became the sole shareholder of Midco. The value of Midco amounts to PLN 6,708,922,772.39. The Company, through Midco, owns a group of companies (the "Group") of which the ultimate investment is the Polish e-commerce leader – Allegro.pl.

The Board of Directors reviewed the valuation of the above shares at year end and decided to maintain them at their historical acquisition cost and therefore not to record any value adjustments considering the performance of the underline business.

### 3.2. OTHER LOANS

As at 31 December 2020, the Company has bank deposit and guaranties for a total amount of PLN 138,646.55 (2019: PLN 0.00).

## 4. Debtors

### 4.1. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

#### 4.1.1. BECOMING DUE AND PAYABLE WITHIN ONE YEAR

This item amounting to PLN 1,601,746.02 (2019: EUR 17,500.00 equivalent to PLN 74,494.00) is composed of:

- fees due by Midco under the recharge agreement dated 1 December 2020 for an amount of PLN 1,461,833.11 (2019: PLN 0.00);
- intercompany amount due by Midco for an amount of PLN 1,147.06 (2019: PLN 0.00);
- an intercompany amount due by Adiman SCSp for an amount of PLN 79,619.75 (2019: PLN 74,494.00);
- an intercompany amount due by Adiman GP for an amount PLN 59,146.10 (2019: PLN 0.00).

On 23 July 2020, the Company granted a loan to Topco for an amount of EUR 113,751.33 (equivalent to PLN 517,534.43 at Conversion Rate).

The loan and related accrued interest amounting to EUR 115,633.68 (equivalent to PLN 521,635.09) were further cancelled on 21 December 2020 following Topco dissolution (see Note 3.1).

## 5. Prepayments

This item amounting to PLN 14,262,270.62 (2019: PLN 0.00) is mainly composed of insurance fees.

## 6. Capital and reserves

### 6.1. SUBSCRIBED CAPITAL

The subscribed capital, amounting to PLN 10,232,558.14, is represented by 1,023,255,814 ordinary shares with a nominal value of PLN 0.01 each, fully paid (2019: EUR 103,302,805.38 equivalent to PLN 439,739,381.94).

The movements in subscribed capital during the year are as follows:

- on 28 September 2020, the Board of Directors of the Company (the "BoD") resolved to increase the issued share capital of the Company by an amount of PLN 232,558.14 within the framework of the authorized capital so as to raise it from an amount of PLN 10,000,000.00 to an amount of PLN 10,232,558.14 pursuant to which the Company created and issued 23,255,814 new ordinary shares having each a nominal value of PLN 0.01, fully paid and subject to a share premium of PLN 999,767,443.86;

- on 29 September 2020, an Extraordinary General Meeting of the shareholders of the Company (the "EGM") resolved to (i) convert the currency of the share capital at the Conversion Rate, (ii) cancel the nominal value of all the issued shares of the Company, (iii) create a new class of shares, namely the ordinary shares, without nominal value, (iv) convert the 1,000,000,000 existing shares into ordinary shares, (v) decrease the issued share capital of the Company from PLN 469,996,773.64 to PLN 10,000,000.00 without cancellation of shares, and (vi) set the new nominal value of the ordinary shares to PLN 0.01.

As of 12 October 2020, part of the ordinary shares of the Company were sold to the public market and are listed on the Official List of the Warsaw Stock Exchange on the Global Exchange Market.

As of 31 December 2020, the authorized capital of the Company is set at PLN 11,017,441.86 (2019: PLN 0.00).

## 6.2. SHARE PREMIUM ACCOUNT

There is a share premium for a total amount of PLN 7,020,034,346.14 (2019: EUR 1,222,117,970.11 equivalent to PLN 5,202,311,775.16).

The movements on the "Share premium account" item during the financial year correspond to:

- an increase for an amount of PLN 459,996,773.64 following the decision taken by EGM (see Note 6.1);
- an increase for an amount of PLN 999,767,443.86 following the decision taken by the BoD (see Note 6.1).

Share premium account	PLN	EUR
<b>At the beginning of the financial year</b>	—	<b>1,222,117,970.11</b>
Movements of the financial year:		
– EGM 29.09.2020 (conversion)	5,560,270,128.64	(1,222,117,970.11)
– EGM 29.09.2020 (capital decrease)	459,996,773.64	—
– BoD 02.10.2020 (capital increase)	999,767,443.86	—
<b>At the end of the financial year</b>	<b>7,020,034,346.14</b>	<b>—</b>

## 6.3. LEGAL RESERVE

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

# 7. Creditors

## 7.1. TRADE CREDITORS

### 7.1.1. BECOMING DUE AND PAYABLE WITHIN ONE YEAR

This item amounting to PLN 2,911,369.41 (2019: EUR 21,765.91 equivalent to PLN 92,653.13) is composed of suppliers and accruals in connection with the administration of the Company.

## 7.2. AMOUNT OWED BY AFFILIATED UNDERTAKINGS

### 7.2.1. BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

On 23 July 2020 the Company issued loan notes to a lender for an amount of EUR 113,751.33 (equivalent to PLN 517,534.43 at Conversion Rate).

On 12 October 2020, the Company fully repaid:

- the interest free loan granted by Topco for an amount of EUR 200,000.00 (equivalent to PLN 909,940.00 at Conversion Rate) (2019: PLN 851,360.00); and
- the loan notes and related accrued interest for a total amount of EUR 114,761.07 (equivalent to PLN 522,058.35) (2019: PLN 0.00).

## 7.3. OTHER CREDITORS

This item amounting to PLN 1,563,354.07 (2019: PLN 0.00) is mainly composed of VAT due for an amount of PLN 1,406,509.84 as well as tax, social security costs and other payable in connection with the dissolution of Topco.

## 8. Other operating income

This item amounting to PLN 2,568,742.77 (2019: PLN 0.00) is composed of legal and insurance fees recharged to Midco (see Note 4.1.1).

## 9. Other external charges

This caption is composed as follows:

Share premium account	2020 [PLN]	2019 [PLN]	2019 [EUR]
Legal fees	31,805,318.82	9,240.87	2,170.85
Consulting fees	27,994,238.91	—	—
Audit and accounting fees	3,377,415.81	102,768.27	24,142.14
Project success fees	2,198,476.76	—	—
Insurance fees	1,641,705.53	—	—
Travel expenses	306,359.16	—	—
Recruitment fees	265,402.20	—	—
Other fees linked to the IPO*	310,388.21	—	—
Building rental charges	149,395.42	20,491.04	4,813.72
Notary fees	20,886.31	—	—
Bank fees	45,018.30	5,888.94	1,383.42
Fiscal fees	—	18,721.53	4,398.03
Other fees	1,242,686.68	1,489.88	350.00
<b>Total</b>	<b>69,357,292.11</b>	<b>158,600.53</b>	<b>37,258.16</b>

## 10. Staff costs

As of 31 December 2020, the Company had 6 part-time employees.

The Company is introducing the Allegro Incentive Plan ("AIP"), a discretionary benefit offered to its Executive Directors and employees of the Group. 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 Managers' 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.

Executive Directors and certain managers may be offered variable remuneration under the AIP in the form of Performance Share Units ("PSU"). Executive Directors and Key Managers and selected employees of the Group may be also offered the variable remuneration in the form of Restricted Stock Units ("RSU"). Both plans have 3-year vesting periods with additional conditions applied.

The first grant under AIP is planned for April 2021.

## 11. Other operating expenses

This item amounting to PLN 2,240,877.46 (2019: PLN 0.00) is composed of:

- directors' fees for an amount of PLN 834,367.62;
- non-recoverable VAT for an amount of PLN 1,406,509.84.



# 12.

## Other interest receivable and similar income

### 12.1. DERIVED FROM AFFILIATED UNDERTAKINGS

This item amounting to PLN 8,531.40 (equivalent to EUR 1,882.35) (2019: PLN 0.00) is composed of interest on the loan granted to Topco (see Note 4.1.1).

### 12.2. OTHER INTEREST AND SIMILAR INCOME

This item amounting to PLN 2,373,051.83 (2019: PLN 0.00) is composed of:

- foreign currency exchange gains for an amount of PLN 1,050,551.13;
- a release of discretionary fees related to the IPO as defined in an underwriting agreement dated 21 September 2020 and amended on 12 October 2020 for an amount of PLN 1,322,500.70.

# 13.

## Interest payable and similar expenses

### 13.1. CONCERNING AFFILIATED UNDERTAKINGS

This item amounting to PLN 169,656,554.71 (2019: PLN 0.00) corresponds to:

- net liquidation proceeds following Topco liquidation for an amount of PLN 124,588,951.66 (see Note 3.1);
- realised foreign exchange loss related to Topco liquidation for an amount of PLN 45,067,603.05.

### 13.2. OTHER INTEREST AND SIMILAR EXPENSES

This item amounting to PLN 29,082,967.42 (2019: PLN 1,713.62) is mainly composed of bank commissions, discretionary fee deposit and other bank costs in relation to the IPO and defined in the underwriting agreement disclosed in Note 12.2.

# 14.

## Tax on profit or loss

The Company is subject in Luxembourg to the applicable general tax regulations.

# 15.

## Off-balance sheet commitments

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities to be disclosed in the annual accounts.

# 16.

## Subsequent events

The Company, as Pledgor, has pledged in favor of the Security Agent, acting for itself and for the account of the Secured Parties, all its rights, titles, interests and benefits, present and future, in, to and under its present and future Shares and all Distributions in Midco as a first ranking security for the Secured Obligations as defined in a Share Pledge Agreement entered into on 19 January 2021.

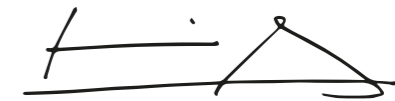
APPROVED BY THE BOARD  
AND SIGNED ON ITS BEHALF BY:



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Darren Huston

Director



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François Nuyts

Director