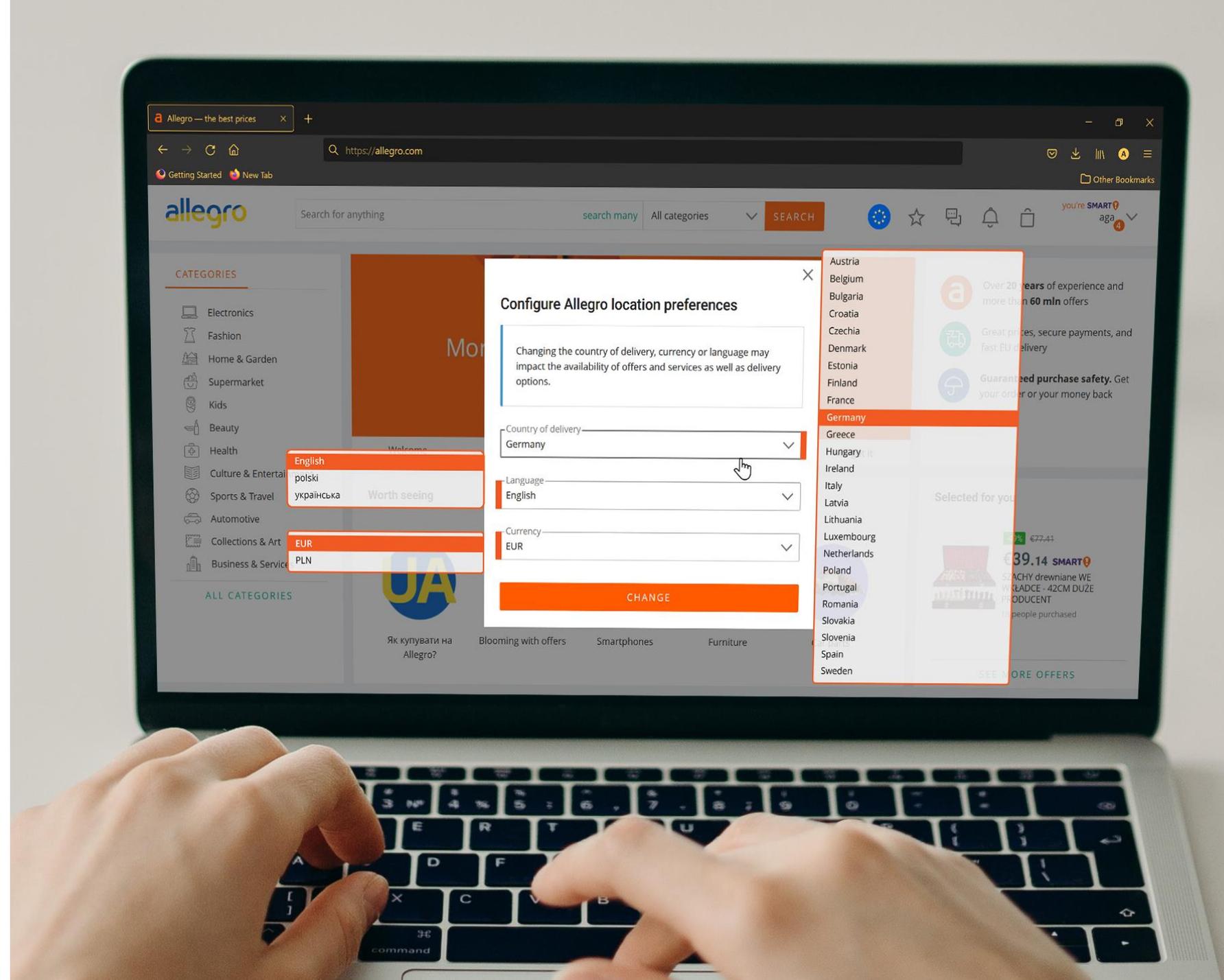




Allegro.eu Q1 2022

Results presentation



26 May 2022

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1 Q1 2022 Highlights

Allegro makes solid start in Q1 against most challenging comps of 2022

Q1'22 GMV and revenue growth broadly as expected despite tough comparison with Q1'21 (January and March lockdowns) with demand resilient despite the invasion of Ukraine

GMV: +12.8% YoY (vs 46.1% in Q1'21)

Revenue: +15.1% YoY

Monetization progress: growing share of advertising revenue; revised co-financing and success fee will support Take Rate going forward

Advertising revenue: +21.1% YoY, 1.14% of GMV

Co-financing on PLN 40-79.99 courier orders from February: PLN 1.99

Further acceleration in delivery times driven by 3P merchant fulfilled network model, with targeted 1P investments developing on schedule

Share of parcels delivered next day²: up by 8pp YoY in Q1'22

Allegro Pay fintech business scaling up strongly with consistently high, sector-leading NPS¹

PLN 964.8m loans originated in Q1'22 (>400% YoY)

NPS¹ of 94 in Q1'22

Going international, with launch of Allegro.com platform and completion of MALL Group and WE|DO acquisitions in April 2022

allegro + **MALL** GROUP

In-line Adjusted EBITDA performance in Q1 during the toughest comparative quarter of the year for GMV growth with first step in monetization of courier MOV improvement and continued investment in platform innovations

Adj. EBITDA: -13.6% YoY in Q1'22, with margin improving after January low

1. Net promoter score

2. Calendar days

1 Q1 2022 key results

GMV

PLN 10,824m Q1'22
+12.8% YoY

Active Buyers¹

13.4m Q1'22
+0.6% YoY

GMV per Active Buyer²

PLN 3,265 Q1'22
+14.2% YoY

Take Rate³

10.46% Q1'22
+0.02pp YoY

Revenue

PLN 1,393m Q1'22
+15.1% YoY

Adjusted EBITDA

PLN 463m Q1'22
-13.6% YoY

Adjusted EBITDA / GMV margin

4.28% Q1'22
-1.30pp YoY

Cash Conversion⁴

65.2% Q1'22
-23.6pp YoY

1. Active Buyer represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase on any of Allegro.pl, Allegrolokalne.pl or eBilet.pl in the preceding twelve months. Previously the data excluded eBilet.pl. All data points have been retrospectively adjusted to revised definition

2. Represents LTM GMV divided by the number of Active Buyers as of the end of a period

3. Defined as 3P Marketplace Revenue / (GMV - 1P GMV)

4. Defined as (Adjusted EBITDA - Capex) / Adjusted EBITDA

1 Retail basics and delivery experience improvements continuously driving the flywheel

Selection growth



- Continued double-digit YoY growth in the number of active offers
- 130+ top brands onboarded in Q1, including Skechers, Vans, Velvet, Costa Coffee, Grohe, RedBull
- A new version of our Trade Analytics tool available to all sellers making it easier to analyse sales trends, adjust assortment and optimize prices

Price competitiveness



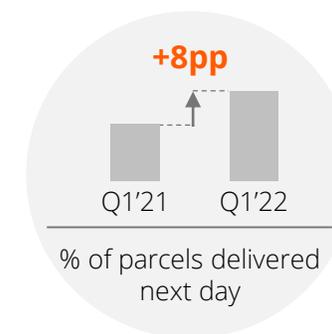
- Price Insights, a more efficient price monitoring and benchmarking tool, available to all merchants since January following November test launch
- Further expansion of price monitoring for competitive benchmarking

Improving convenience



- Received Star of Customer Service Award for 4th consecutive year¹
- Excellent rNPS² of 81 as of Q1'22
- Further efficiency gains through automation, with 40% of Consumer to Merchant enquiries in the period handled by bots
- Launched a Ukrainian-language version of the platform to enable convenient shopping for over 3.2 million³ Ukrainians living in Poland

Delivery speed progress



- Merchant-Fulfilled Network: improved the next day delivery performance by 8pp YoY in Q1'22, supported by merchants incentives⁴
- One Box: on track to reach 3,000+ APMs by the end of the year. Secured an option with an offline retailer to deploy 2,000 APMs
- Full One Box merchant coverage coming soon
- X-press Couriers rebranded to One Kurier

1. Star of Customer Service Quality – awarded based on customers' opinion survey, carried out by the Polish Quality Program

2. Relational net promoter score

3. Estimates by the Union of Polish Metropolises (Unia Metropolii Polskich, UMP), as of April 2022

4. AlleProgres – incentive program launched in February, replaced last year's Fast Shipment Program

1 Continued progress in key growth initiatives

Smart!



- Adjusted *Smart! for Start*¹ trial duration from 12 to 3 months to optimize for speed of conversion to paid Smart! and profitability
- Co-financing rates increased from February 2022, including adding new charges for courier delivery at MOV² < PLN 80

Advertising



- Advertising revenues up by +21% YoY, increasing as % of GMV
- Ads revenue growth driven by improving ads efficiency translating into CTR³ increase, as well as expansion in external and internal inventory
- Continued growth in display formats on the back of growing brand budgets with self-serve format getting more traction

Allegro Pay



- Excellent performance of Allegro Pay in Q1 2022 towards annual goals:
 - PLN 964.8m loans originated in Q1 (>400% YoY growth)
 - Loan book up only by PLN 5.9m in Q1'21 to PLN 364.6m thanks to ongoing cooperation with Aion Bank
 - Expected credit losses remain at very low level <2%
- PLN 210.0m of consumer loans sold to AION in Q1 reducing working capital requirement and loan book balance
- Buyers appreciate Allegro Pay convenience and simplicity with sector-leading NPS⁴ score of 94

Organic international development



- Launch of Allegro.com – international platform in English, driving export to EU countries, with payments in euro
- Scalable architecture, ready to add additional languages and currencies to support country-specific roll-outs
- Steadily improving the value proposition of the export business in terms of selection (60m offers vs 10m a year ago), price and convenience

1. Smart! na Start / Smart! for Start trial program
 2. Minimum Order Value
 3. Click Through Rate
 4. NPS – net promoter score

1 Consistent progress on ESG initiatives in Q1'22

Snapshot of key Q1 2022 ESG actions

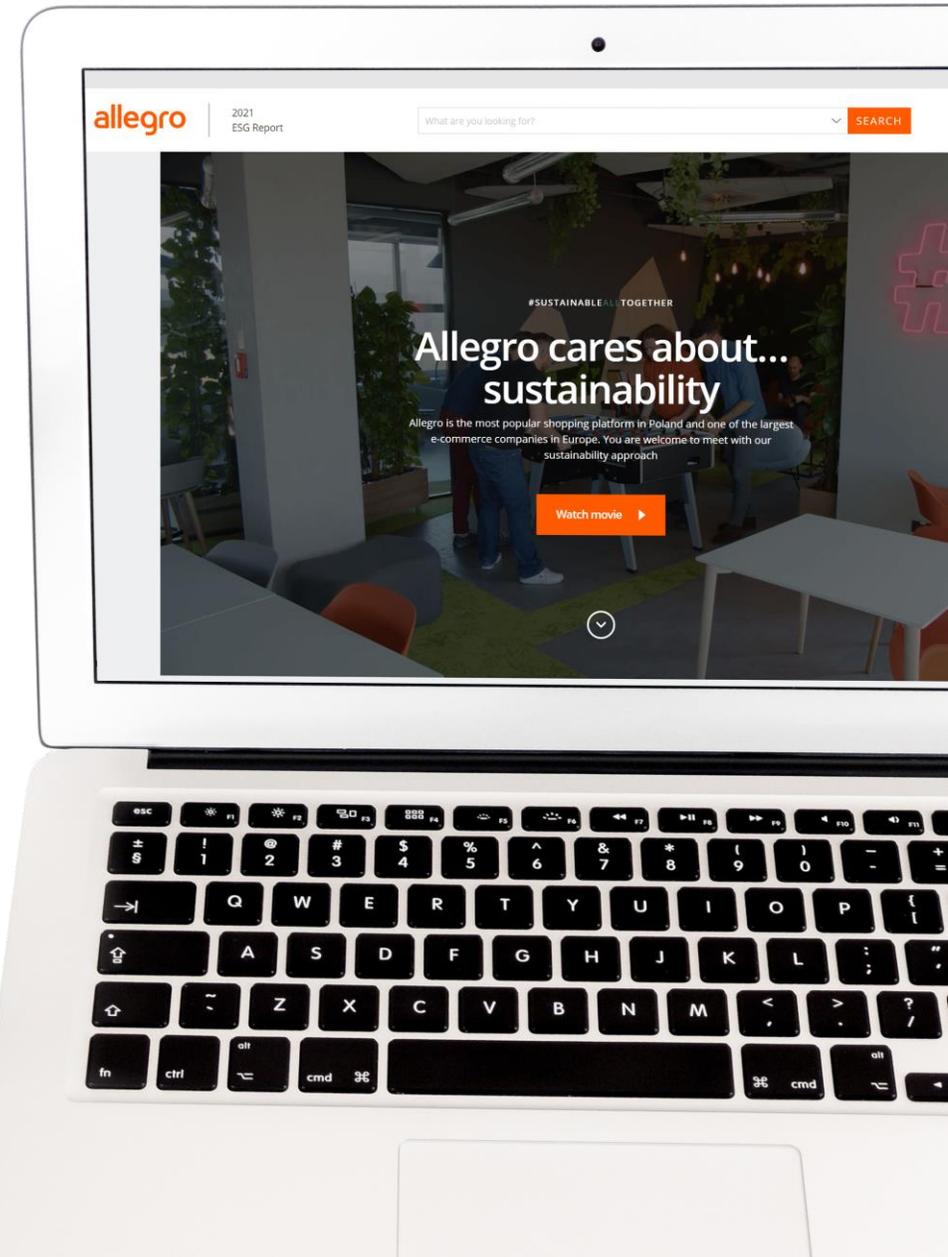
- **ESG Report:** published the 2022 ESG Report compliant with international reporting standards¹
- **Solidarity with Ukraine:**
 - Support for Ukrainian employees
 - Over PLN 10m collected so far on a dedicated donations website Allegro Charity platform, along with PLN 1.1m donated in Q1 by Allegro Group directly to the Polish charities providing support to refugees²
 - Launched a Ukrainian language version of Allegro platform
 - Launch of the third edition “Pomagamy bo umiemy / We help because we care” volunteer program sponsored by Allegro
- **Corporate Governance:** Mr Pedro Arnt recommended by the Board as a new independent Director candidate and pending appointment at the AGM³
- **Climate engagement:** Science-based targets⁴ for reducing emissions in line with the Paris Agreement approved by the Board, currently pending validation by the Science Based Targets initiative (SBTi):
 - 38% reduction of GHG emission (Scope 1&2) by 2030, aligned with the 1.5°C pathway (baseline 2021)
 - Commitment to engage at least 69% of suppliers by spend to set their SBT targets for Scope 1&2 within 5 years

1. Global standards for sustainability reporting (GRI Standards) audited externally

2. Including donations to the Polish Migration Forum Foundation (PFM) and the “Ukraine” Foundation

3. In September 2021, Allegro.eu Board of Directors approved the target of >50% of Directors to be independent within 5 years. Appointment of Mr Pedro Arnt as as independent Director is pending shareholders’ approval at the Annual General Meeting on 22 June 2022

4. Science Based Targets initiative, an ambitious corporate climate action of businesses to reduce their emissions in line with climate science



2 Our Active Buyers are increasingly loyal and engaged. Growing annual spend per Buyer and rising Smart! penetration as shift to online continues

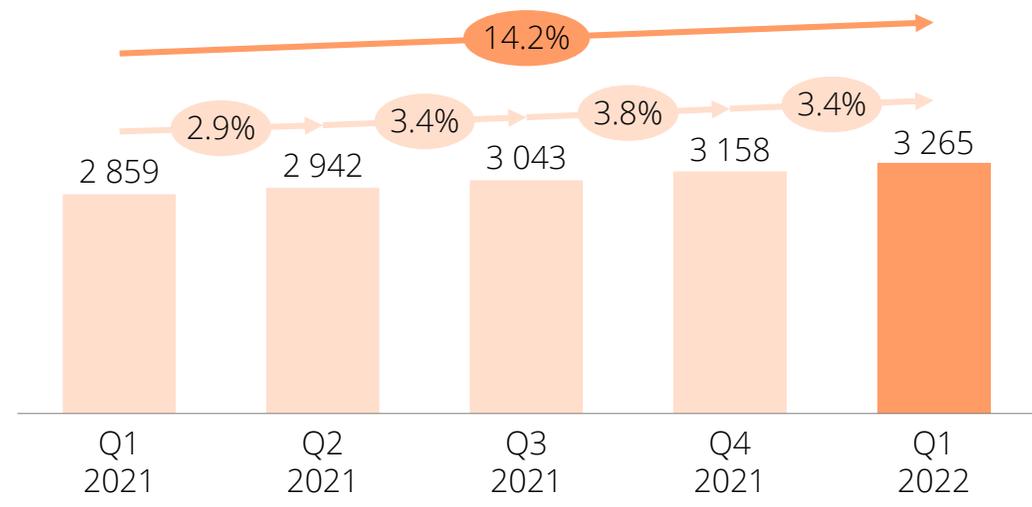
Active Buyers (period end)¹
m



- Active Buyers down QoQ by 0.5%, to large extent driven by impact of growing accounts consolidation with rising penetration of Smart!

○ QoQ ● YoY

LTM GMV / Active Buyer (period end)¹
PLN

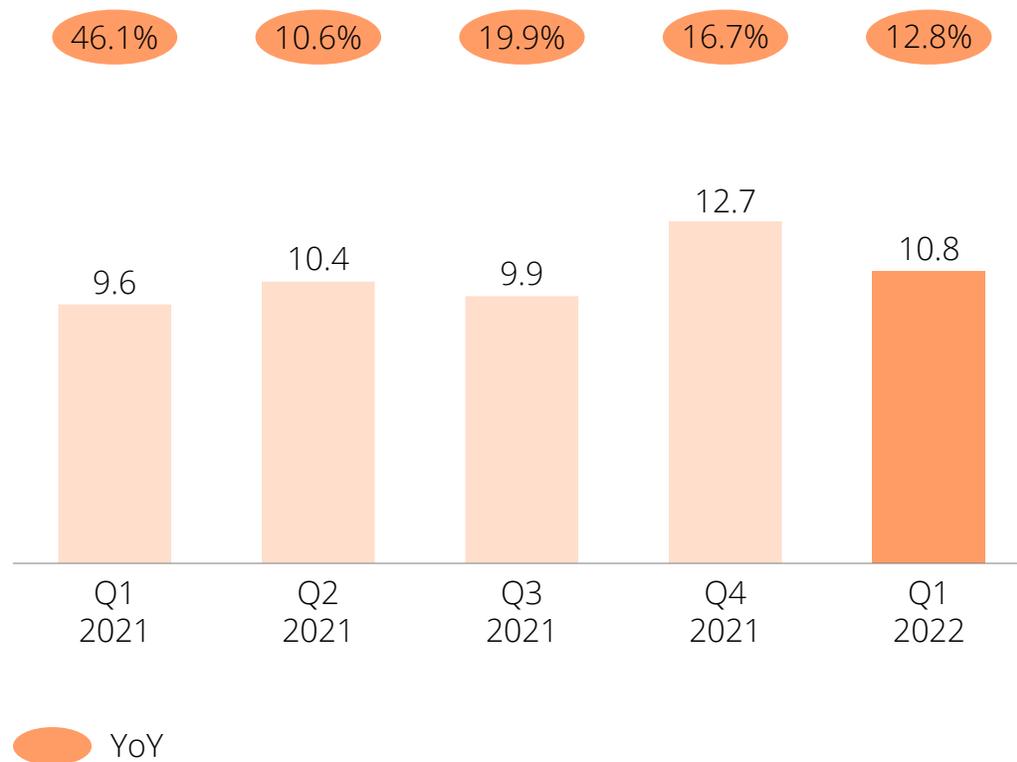


○ QoQ ● YoY

1. Active Buyer represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase on any of Allegro.pl, Allegrolokalnien.pl or eBilet.pl in the preceding twelve months

2 Q1 GMV up by 12.8% YoY despite COVID-19 headwinds and consumer spending impact in the first week following the invasion of Ukraine

GMV¹
PLN bn



- LTM GMV up by 14.9% YoY, reaching PLN 43.8bn
- QoQ deceleration in growth rate in line with expectations driven by the presence of lockdowns in January 2021 and again from 20 March 2021
- Short-term impact on consumer spending observed in the first week after invasion of Ukraine of approx. PLN 140m (1.5pp of YoY growth) vs prior 3-week average growth trend²
- 0.5pp positive growth contribution to YoY growth rate in Q1 coming from eBilet

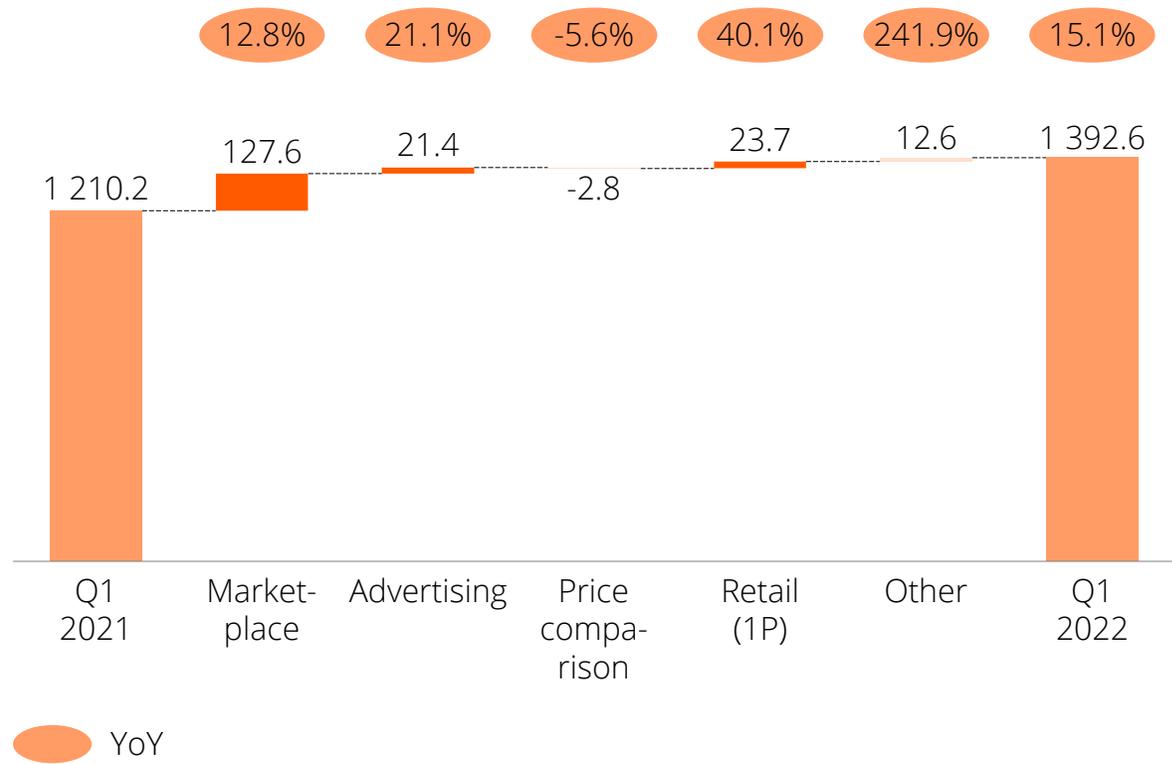
1. GMV of Allegro Group: Allegro.pl marketplace and eBilet

2. Observed drop in growth rate versus the 3-weeks average pre-invasion

2 Revenue growth driven by marketplace, advertising and retail

Revenue Bridge

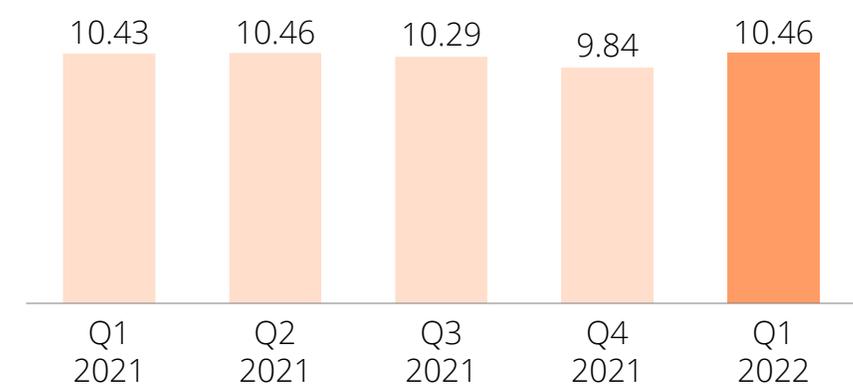
PLN m



Take Rate¹

%

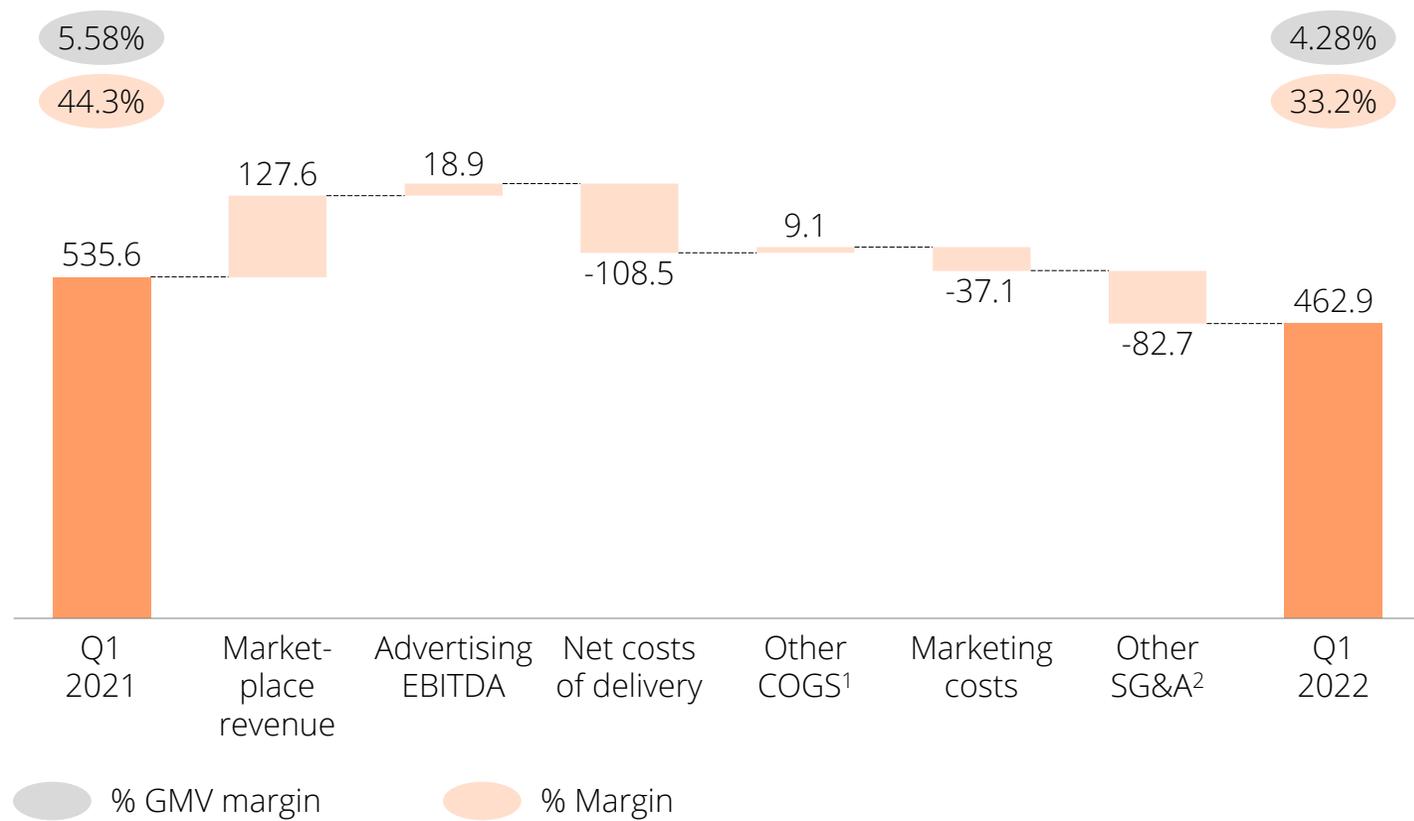
- Take rate broadly flat YoY in Q1
- QoQ increase driven by seasonality



1. Defined as 3P Marketplace Revenue / (GMV - 1P GMV)

2 In-line Adjusted EBITDA performance in Q1

Adjusted EBITDA bridge in Q1 2022

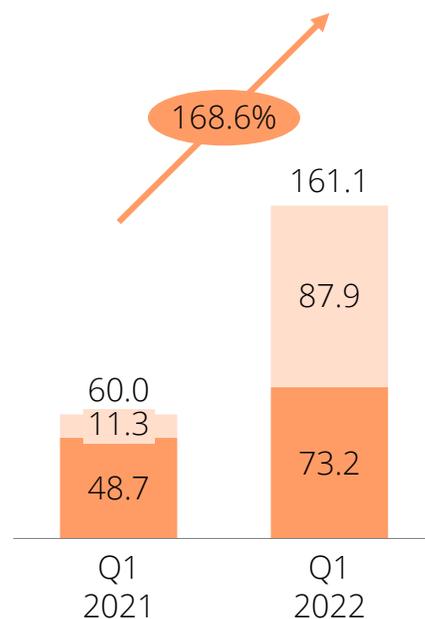


- Q1 monetization initiatives lifted Take Rate for only part of quarter: revised co-financing from February and success fee change from March
- Margin-accretive growth of advertising revenues
- Net costs of delivery up by 0.63pp of GMV YoY driven by significant growth in Smart! GMV share and 21.1pp YoY higher share of courier deliveries. Sequential QoQ stabilization in courier share in remaining quarters of the year
- SG&A growth driven by investment in innovation capacity to support long-term growth, mainly across Technology and Delivery scale up

1. Other revenue, price comparison revenue, retail margin and payments charges
 2. Other SG&A incl. staff costs, IT costs, net impairment costs and other not included in advertising EBITDA contribution

2 Investing in platform improvements and One by Allegro to drive future growth and optimize costs

Capital expenditures¹ by type PLN m



- Expanding project portfolio and larger tech team drive higher capitalised development costs in Q1. Approximately half of the YoY increase was driven by international platform development costs
- Other capex driven largely by ongoing development of Allegro One APM³ network aimed at faster deliveries and costs optimization
- Fit-out costs for new offices peaking in H1 2022

% cash conversion ²	88.8%	65.2%
% of revenue	5.0%	11.6%

● YoY
 ■ Capitalised development costs
 ■ Other

1. Presented values are related to cash flow from investing activities and does not include leased assets (which are presented in balance sheet and financing cash flow)

2. Defined as (Adjusted EBITDA - Capex) / Adjusted EBITDA

3. APM - automated parcel machine

2 Leverage: Expected peak in pro-forma leverage after MALL Group acquisition at 3.26x

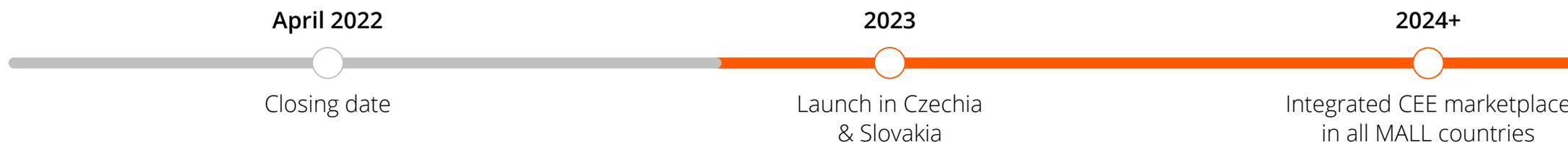
[PLN m]	Dec-21	Mar-22	Pro-forma 1 Apr-22
Adjusted EBITDA LTM	2,068.5	1,995.8	1,995.8
Borrowings at amortised cost	5,366.3	6,856.2	6,856.2
Lease liabilities	251.1	458.9	458.9
Less Cash	(1,957.2)	(3,595.0)	(800.8)
= Net Debt	3,660.2	3,720.1	6,514.4
Leverage	1.77x	1.86x	3.26x
Equity	9,454.1	9,729.6	10,910.6
Net debt to Equity	38.7%	38.2%	59.7%

- MALL closing in April reflected in pro-forma leverage of 3.26x
- Quarter-end cash position reflects PLN 210m in Allegro Pay loans sales to Aion Bank in Q1 2022
- PLN 4,125m of gross debt on floating rate hedged to fixed from mid 2022 to mid 2024 at blended rate 1.32% (PLN 4,192m hedged at 2.35% for Q2 2022)
- PLN bond issue remains preferred source of refinancing the MALL bridge loan and diversify long term funding

3 Acquisition of MALL Group accelerating the international growth



3 From 2023 we plan to integrate MALL Group with Allegro and deploy our international platform



The transaction gave us an important head-start for launching the international platform

- Brand awareness and a growing base of **nearly 5 million incremental customers**, ~40% upside to the current customer base
- Access to **over 4,000 merchants** across Czechia, Slovakia, Slovenia, Hungary, Croatia
- Extensive **local markets & cross-border ops know-how and talent** (2,400+ employees, incl. R&D center in Prague)
- Established **delivery network, processes and capabilities** across all markets
- Frontloaded development of the new Allegro **international platform**



- Combined addressable market of **18m active customers across the CEE region**
- Increase **number of merchants offering in Czechia already in the first year by 20x** and add **~100 million offers** (local & cross-border)
- Enhance customer value proposition – launch **Smart! loyalty program** offering free delivery and boosting purchase frequency
- Support merchants with **facilitated cross-border delivery** and smooth **multi-currency** payments
- Provide **superior UX single platform** leveraging best practice from both Allegro and MALL Group
- “Click once and sell everywhere” – single platform with a truly international product selection

3 In FYE Mar-22 MALL Group recorded a 6% YoY GMV drop, however with the 3P business growing by 44%

[PLNm] ¹	FYE Mar-22
GMV	3,989
<i>GMV growth</i>	<i>(6%)</i>
<i>1P GMV</i>	<i>3,510</i>
<i>GMV growth (%)</i>	<i>(10%)</i>
<i>3P GMV (PLN m)</i>	<i>478</i>
<i>GMV growth (%)</i>	<i>44%</i>
Revenue	3,134
Gross profit	619
<i>Gross profit (% of GMV)</i>	<i>15.5%</i>
Adj. EBITDA	(96)
<i>Adj. EBITDA margin (% of GMV)</i>	<i>(2.4%)</i>
D&A	(143)
Operating profit	(279)
Net Loss	(287)
Capex	(77)
Op. FCF ²	(172)

- MALL Group's overall GMV decline of ~6% driven largely by comping vs severe offline lockdown in Czechia from Q4 2020 to early May 2021
- 2022 YTD slowdown from the impact of higher inflation and Ukraine war on demand for predominantly discretionary assortment
- Continued strong 3P growth reflecting its overall strategy of building the leading marketplace. Share of 3P on overall GMV reached 12%
- Resilient gross profit and margin with positive mix impact
- Adjusted EBITDA negatively affected by lower GMV and higher marketing costs due to intensified marketing activities

1. All financials translated to PLN using average exchange rates for FY 22 of EUR/CZK of 25.2908, HRK/CZK of 3.3623, HUF/CZK of 0.0704, and PLN/CZK of 5.5199

2. Operating Free Cash Flow defined as Adjusted EBITDA – Capex

3 We have already started to implement a list of quick wins to accelerate our new business through application of proven Allegro Retail Basics

SELECTED EXAMPLES

allegro

MALL GROUP

WE DO

Selection



- Onboard selected **top-selling merchants** from Poland
- Add selection of **key value items** currently not available on the platform
- **Launch local merchant** onboarding campaign

Price



- Adjust tools and deploy a new pricing strategy to **improve pricing**
- Leverage extensive **pricing methodology from Allegro**
- Revise **traffic acquisition** strategy to inform potential customers about **attractive prices** on the platform

Convenience



- Asset-light **pick-up points** network extension
- Improve **delivery speed** by extending order cut-off times for same day dispatch
- Organize quick deliveries from Poland
- Improve the ratio of **registered active buyers** to strengthen loyalty
- Deploy Allegro's contact center innovations to **improve customer service** and optimize cost of operations

4 2022 expectations

Allegro excluding MALL Group and WE DO	FY 2021A Actual	FY 2022E Published on 24 Feb 2022	FY 2022E Update: excluding Mall
GMV	21% YoY growth	High teens-Low 20s% YoY growth	15-20% YoY growth
Revenue	34% YoY growth	Low 30s% YoY growth	25-30% YoY growth
Adjusted EBITDA¹	18% YoY growth	Low-to-Mid Teens% YoY growth	10-15% YoY growth
CAPEX²	PLN 407m	PLN 700-750m	PLN 675-725m



Expectations for the MALL Group and WE|DO for 9 months to December 2022:

- Targeting near-term stabilisation and back to positive GMV and revenue growth by the end of the year
- Adjusted EBITDA loss at PLN 80-120m
- Capital investment at PLN 100-120m

1. Adjusted EBITDA defined as EBITDA pre transaction costs, management fees (monitoring fees), stock-based compensation, restructuring costs, and other one-off items

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

5 Questions & Answers



Thank you