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Attachment
to the current report
No. 14/2023

Selected historical consolidated financial information for the 3 months ended 31 March 2023

For Definitions please refer to p. 8-9 the 2022 Consolidated Annual Report, available on the allegro.eu website (link: *https://about.allegro.eu/financial-results*). Furthermore the Group has included in this current report certain alternative (non gaap) performance measures, as well as certain non-financial measures. For definitions of alternative performance measures and non-financial measures please refer to p. 12-15 of the 2022 Consolidated Annual Report.

Part I:
Selected historical consolidated financial information (unaudited)

Table 1:
Selected consolidated financial and operational highlights

Income Statement, PLN million	Q1 2023	Q1 2022	Change %
Revenue	**2,321.2**	**1,392.6**	**66.7%**
of which Polish Operations	1,708.5	1,392.6	22.7%
of which Mall Segment	613.8	N/A	N/A
of which Eliminations & Other	(1.1)	N/A	N/A
EBITDA	**505.3**	**432.5**	**16.8%**
of which Polish Operations	573.4	432.5	32.6%
of which Mall Segment	(68.1)	N/A	N/A
Adjusted EBITDA	**530.9**	**462.9**	**14.7%**
of which Polish Operations	600.6	462.9	29.7%
of which Mall Segment	(69.7)	N/A	N/A
EBIT	**250.6**	**281.3**	**(10.9%)**
Profit before Income tax	**186.2**	**225.9**	**(17.6%)**
Net Profit	**157.0**	**166.9**	**(5.9%)**

	31.03.2023	31.12.2022	Change %
Assets	**18,900.6**	**19,232.8**	**(1.7%)**
Equity	**9,096.3**	**8,981.3**	**1.3%**
Net Debt	**6,308.6**	**6,266.1**	**0.7%**

Cash Flow, PLN million	Q1 2023	Q1 2022	Change %
Net cash inflow/(outflow) from operating activities	257.5	377.4	(31.8%)
Net cash inflow/(outflow) from investing activities	(128.8)	(177.9)	(27.6%)
Net cash inflow/(outflow) from financing activities	(160.1)	1,438.3	(111.1%)
Net increase/(decrease) in cash and cash equivalents	(31.4)	1,637.7	(101.9%)

Table 2.
Key performance indicators

KPIs	Q1 2023	Q1 2022 [1]	Change %
Active Buyers (millions)	**18.4**	**13.4**	**36.9%**
of which Polish Operations	14.2	13.4	5.9%
of which Mall Segment	4.2	N/A	N/A
GMV per Active Buyer (PLN)	**2,981.8**	**3,264.6**	**(8.7%)**
of which Polish Operations	3,581.7	3,264.6	9.7%
of which Mall Segment	937.0	N/A	N/A
GMV (PLN in millions)	**13,139.4**	**10,824.1**	**21.4%**
of which Polish Operations	12,339.5	10,824.1	14.0%
of which Mall Segment	799.9	N/A	N/A
LTM GMV (PLN in millions)	**54,811.1**	**43,829.3**	**25.1%**
of which Polish Operations	50,904.2	43,829.3	16.1%
of which Mall Segment	3,906.9	N/A	N/A
Take Rate (%) [2]	**11.04%**	**10.46%**	**0.59 pp**
of which Polish Operations	11.02%	10.46%	0.57 pp
of which Mall Segment	12.88%	N/A	N/A
1P Gross Margin (%)	**11.28%**	**(1.93%)**	**13.21 pp**
of which Polish Operations	6.84%	(1.93%)	8.77 pp
of which Mall Segment	12.08%	N/A	N/A
Adjusted EBITDA (PLN in millions)	**530.9**	**462.9**	**14.7%**
of which Polish Operations	600.6	462.9	29.7%
of which Mall Segment	(69.7)	N/A	N/A
Adjusted EBITDA/revenue (%)	**22.87%**	**33.24%**	**(10.37pp)**
of which Polish Operations	35.16%	33.24%	1.91 pp
of which Mall Segment	(11.35%)	N/A	N/A
Adjusted EBITDA/GMV (%)	**4.04%**	**4.28%**	**(0.24 pp)**
of which Polish Operations	4.87%	4.28%	0.59 pp
of which Mall Segment	(8.71%)	N/A	N/A

[1] Comparative data for the Mall Segment are not available, as it was consolidated for the first time since Q2 2022.
[2] Blended average take rate.

Key highlights:

- Active Buyers: growth in buyers returning to pre-Covid levels with four consecutive quarters of growth.

- GMV: GMV growth was stable QoQ at 14.0% despite a slowdown in growth of Polish nominal retail sales by 10.7 pp, from 15.5% in December 2022 to 4.8% in March 2023, based on Polish Statistical Office (GUS) data and nominal retail sales growth excluding food and fuel slowing by 5.3 pp QoQ, from 14.4% in Q4 2022 to 9.1% in Q1 2023 based on Eurostat data.

- Take Rate: increase reflecting mainly Q3 2022 co-financing changes, with Q1 2022 co-financing and success fee changes gradually phasing out from impacting the growth rate.

- Gross Margin: reported YoY increase in the 1P Gross Margin in Polish Operations is due to an accounting change that took effect in Q4 2022 cumulatively, whereby SMART! delivery subsidies are no longer classified in 1P cost of sales, but in the net cost of delivery line. Another factor explaining the increase was the scaled down contribution of 1P retail to price management on the marketplace.

- Adjusted EBITDA: Adjusted EBITDA from Polish Operations lifted by GMV growth, strong advertising revenue growth, monetization and continued "Fit-to-grow" cost control focus. Mall Segment loss includes PLN 16.3 million of start-up losses related to 3P marketplace preparation incurred mainly by the Polish team.

Table 3.
Reconciliation between Reported and Adjusted EBITDA

Reconciliation of Adjusted EBITDA, PLN million	Q1 2023	Q1 2022	Change %
EBITDA Polish Operations	**573.4**	**432.5**	**32.6%**
Regulatory proceeding costs [1]	—	0.5	(100.0%)
Group restructuring and development costs [2]	19.4	14.9	30.2%
Donations to various public benefit organisations [3]	0.5	1.2	(57.8%)
Bonus for employees and funds spent on protective equipment against COVID-19 [4]	—	0.3	(100.0%)
Allegro Incentive Plan [5]	7.0	7.7	(8.8%)
Transaction costs [6]	—	5.8	(100.0%)
Employees restructuring cost [7]	0.3	—	N/A
Adjusted EBITDA Polish Operations	**600.6**	**462.9**	**29.7%**

Reconciliation of Adjusted EBITDA, PLN million	Q1 2023	Q1 2022	Change %
EBITDA Mall Segment	**(68.1)**	**—**	**N/A**
Group restructuring and development costs [2]	(7.5)	N/A	N/A
Allegro Incentive Plan [5]	1.8	N/A	N/A
Employees restructuring cost [7]	4.1	N/A	N/A
Adjusted EBITDA Mall Segment	**(69.7)**	**N/A**	**N/A**
Adjusted EBITDA – Group consolidated	**530.9**	**462.9**	**14.7%**

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

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

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

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

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

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

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

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Table 4.
Results of the Polish Operations

Consolidated statement of comprehensive income, PLN million	Q1 2023	Q1 2022	Change %
Revenue	**1,708.5**	**1,392.6**	**22.7%**
Marketplace revenue	1,347.2	1,121.9	20.1%
Price comparison revenue	54.9	47.4	16.0%
Advertising revenue	181.9	122.9	48.0%
Retail revenue	99.5	82.7	20.3%
Other revenue	25.0	17.8	40.4%
Operating expenses	**(1,135.1)**	**(960.1)**	**18.2%**
Payment charges	(32.7)	(33.8)	(3.3%)
Cost of goods sold	(92.7)	(84.3)	10.0%
Net costs of delivery	(488.8)	(362.7)	34.8%
Marketing service expenses	(185.9)	(158.6)	17.3%
Staff costs	(184.8)	(185.0)	(0.1%)
IT service expenses	(38.4)	(33.1)	15.9%
Other expenses	(97.3)	(75.6)	28.7%
Net impairment losses on financial and contract assets	(14.5)	(21.1)	(31.4%)
Transaction costs	—	(5.8)	(100.0%)
Operating profit before amortisation and depreciation Impairment losses of non-current non-financial assets (EBITDA)	**573.4**	**432.5**	**32.6%**

Key highlights:

- Marketplace revenue: 20.1% YoY growth achieved due to 14% YoY GMV growth and 0.57pp higher Take Rate.
- Advertising revenue: significant outperformance of GMV growth rate achieved due to improving Click-through-rates translating to strong pricing maintained on Allegro Ads, strong acceleration of new advertisers acquisition (+50% YoY) and expanded homepage carousels inventory vs year ago.
- Net costs of delivery: the growth rate was impacted by the first full quarter of price indexation clauses impacting the unit costs whilst the benefit of Smart! programme repricing is only partly reflected as the annual subscriber base rolls over to amended conditions, resulting in 5 pp lower YoY share of courier in the delivery mix. In addition, with effect from Q4 2022 SMART! delivery subsidies are no longer classified in 1P cost of sales but in net cost of delivery line.
- Staff costs: stable costs YoY resulted from tight control of hiring and replacements continuously since Q2 2022, contributing to a 1% QoQ fall in employment in Q1 2023. This result also reflects the classification of PLN 20 million in staff costs for employees working on the 3P launch preparation as costs of the Mall Segment.

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Table 5.
Results of the Mall Segment

Income Statement Mall Segment, PLN million	Q1 2023	Q1 2022
GMV	**799.9**	**N/A**
of which 1P	664.2	N/A
of which 3P	135.7	N/A
Revenue	**613.8**	**N/A**
Marketplace revenue	17.5	N/A
Advertising revenue	1.2	N/A
Retail revenue	568.3	N/A
Other revenue	26.8	N/A
Operating expenses	**(681.8)**	**N/A**
Payment charges	(3.3)	N/A
Cost of goods sold	(499.7)	N/A
Net costs of delivery	(3.0)	N/A
Marketing service expenses	(45.1)	N/A
Staff costs	(103.3)	N/A
IT service expenses	(9.1)	N/A
Other expenses	(18.1)	N/A
Net impairment losses on financial and contract assets	(0.2)	N/A
Operating profit before amortisation and depreciation Impairment losses of non-current non-financial assets (EBITDA)	**(68.1)**	**N/A**

Table 6.

Key pro-forma financial data for Mall Segment

Key financial data for Mall Segment	Q1 2023	Q1 2022 pro-forma	Change %
GMV (PLN in millions) [1]	799.9	804.0	(0.5%)
Revenue (PLN in millions)	613.8	631.1	(2.7%)
Adjusted EBITDA (PLN in millions)	(69.7)	(40.2)	N/A [2]
LTM Active Buyers (millions)	4.2	4.3	(2.5%)
GMV per Active Buyer (PLN)	937.0	932.4	0.5%

[1] Historical GMV data for Mall based on pro-forma for the same organisational structure as acquired by the Group.
[2] Not applicable, as the pro-forma comparative was a negative number in the comparable pro-forma period.

Key highlights:

- GMV: a slight decline driven by continuing weak retail demand and falling real incomes that continue to put pressure on GMV growth as consumers reduce spending on discretionary items.

- Adjusted EBITDA: PLN 16.3 million Adjusted EBITDA loss impact resulting from allocation of allegro.cz 3p launch costs from Polish Operations to Mall Segment. The underlying decline from PLN 40.2 million loss in Q1 2022 to PLN 53.4 million loss in Q1 2023 was largely due to declining GMV, lower sales margin connected with aggressive pricing on the market and higher free delivery cost associated with the Smart! offering. Progress on fixed overhead expenses and lower logistics costs due to the closure of some pick-up point locations helped to mitigate the loss.

Table 7.
Total Comprehensive Income Reconciliation

Consolidated statement of comprehensive income, PLN million	Q1 2023	Q1 2022	Change %
EBITDA Polish Operations	573.4	432.5	32.6%
EBITDA Mall Segment	(68.1)	N/A	N/A
EBITDA	**505.3**	**432.5**	**16.8%**
Amortisation and Depreciation and Impairment losses of non-current non-financial assets	**(254.7)**	**(151.2)**	**68.4%**
Amortisation	(187.5)	(117.1)	60.2%
Depreciation	(65.4)	(34.2)	91.2%
Impairment losses of non-current non-financial assets	(1.8)	—	N/A
Operating profit	**250.6**	**281.3**	**(10.9%)**
Net Financial result	**(64.3)**	**(55.4)**	**16.2%**
Financial income	7.9	8.9	(11.3%)
Financial costs	(94.6)	(62.3)	51.8%
Foreign exchange (profits)/losses	22.4	(2.0)	N/A
Profit/(Loss) before Income tax	**186.2**	**225.9**	**(17.6%)**
Income tax expenses	**(29.2)**	**(58.9)**	**(50.5%)**
Net profit/(loss)	**157.0**	**166.9**	**(5.9%)**
Other comprehensive income/(loss)	**(34.4)**	**100.1**	**(134.3%)**
Total comprehensive income/(loss) for the period	**122.6**	**267.1**	**(54.1%)**

Key highlights:

- D&A: Q1 2023 includes PLN 72.3 million of depreciation and amortisation costs recognised by the Mall Group and WE|DO, which were not consolidated a year ago, inclusive of an PLN 35.1 million charge arising on the fair value uplift to assets of the acquired entities.
- Income tax expense: the income tax expense for the period was favourably impacted by a PLN 14 million adjustment for current tax for prior periods (mostly related to reversal of provision for completed tax controls resulting in the more favourable outcome than initially anticipated). Effective tax rate for Q1 2023 was 15.6% and 26.1% for Q1 2022, compared to the Polish corporate income tax rate of 19%. Relatively high effective tax rate is the comparative period is driven mostly by non-deductible costs recognised in Allegro.eu entity.
- Other comprehensive income / (loss): Q1 2023 movement is driven by the drop in the SWAP valuation by ca PLN 50 million offset by FX gains on translation of foreign entities of ca PLN 17 million.

Table 8.
Review of Cash Flow Performance

Cash Flow, PLN million	Q1 2023	Q1 2022	Change %
Net cash inflow/(outflow) from operating activities	**257.5**	**377.4**	**(31.8%)**
Profit before income tax	186.2	225.9	(17.6%)
Income tax paid	(57.7)	(55.6)	3.8%
Amortisation and depreciation and impairment of non-current non-financial assets	254.7	151.2	68.5%
Net interest expense	85.1	54.1	57.3%
Changes in net working capital	(226.5)	(17.9)	1,165.4%
Other operating cash flow items	15.7	19.7	(20.4%)
Net cash inflow/(outflow) from investing activities	**(128.8)**	**(177.9)**	**(27.6%)**
Capitalised development costs	(101.5)	(73.2)	38.7%
of which Polish operations	*(82.4)*	*(73.2)*	*12.5%*
of which Mall	*(19.1)*	*N/A*	*N/A*
Other capital expenditure	(30.1)	(87.9)	(65.7%)
of which Polish operations	*(28.5)*	*(87.9)*	*(67.6%)*
of which Mall	*(1.6)*	*N/A*	*N/A*
Other investing cash flow	2.8	—	N/A
Cash received upon settlement of the deal contingent forward	—	2,204.4	(100.0%)
Settlement of the deal contingent forward	—	(2,221.3)	(100.0%)
Net cash inflow/(outflow) from financing activities	**(160.1)**	**1,438.3**	**(111.1%)**
Acquisition of treasury shares	(20.2)	—	N/A
Borrowings received	—	1,500.0	(100.0%)
Borrowings repaid	—	—	(100.0%)
Interest paid	(152.9)	(56.4)	171.2%
Interest rate hedging instrument settlements	62.3	(0.2)	N/A
Lease payments	(39.2)	(12.4)	216.2%
Other financing cash flow	(10.1)	7.3	(238.2%)
Net increase/(decrease) in cash and cash equivalents	**(31.4)**	**1,637.7**	**(101.9%)**

Key highlights:

- Changes in net working capital: the most prominent impact on the reported outflow came from the Mall segment and the settlement of PLN 355.3 million of trade payables following the Q4 peak season. This was partly compensated by a PLN 93.0 million inflow from reduced trade receivables in this segment. Despite the significant growth in Allegro Pay loan origination in Q1, the impact on NWC has been limited to PLN 12.5 million outflow, as a result of sales of the loans to AION Bank over the same 3 month period in the amount of PLN 849.3 million.

- Other capital expenditure: the reduction of other capital expenditure reflected a much slower pace of new APM installations with focus on utilisation rate of existing units, as well as completion of new office fit outs that were completed in 2022.

Table 9.
Indebtedness

PLN million	Q1 2023	31.12.2022
LTM Adjusted EBITDA Polish Operations	2,447.1	2,309.4
LTM Adjusted EBITDA Mall Segment	(226.5)	(156.8)
Adjusted EBITDA LTM	**2,220.6**	**2,152.7**
Borrowings at amortised cost	6,437.2	6,453.5
Lease liabilities	717.5	690.2
Cash	(846.1)	(877.6)
Net Debt	**6,308.6**	**6,266.1**
Leverage	2.84 x	2.91 x
Equity	9,096.3	8,981.3
Net debt to Equity	69.4%	69.8%

Part II:
Current trading

During the first weeks of Q2 2023, the Polish Operations noted a moderate slowdown in GMV growth relative to Q1 2023 by 2-3 pp. This is consistent with nominal retail sales readings in Poland which continued to show a declining trend with 3.4% YoY growth reported by GUS for the month of April. The composition of growth is continuing to shift towards transaction growth, with inflationary factors diminishing on account of trading down behaviour by consumers. The relative resilience of Allegro trading performance reflects the benefit of Allegro's wide selection at competitive prices.

A similar QoQ deceleration of growth rate occurred in the Mall Segment as CE-5 economies also witnessed continued weakness in retail sales readings. Pricing and margins remain under pressure. Moreover, the strengthening Polish zloty is reducing the uplift from currency effects that has been keeping growth above constant local currency growth rates.

The Allegro.cz soft launch in May is at an early stage and is still ahead of any significant marketing expenditure to drive traffic and sales. As a result the new marketplace is thus far having a minimal impact on total growth rates for the Mall Segment.

On a consolidated basis, the Group has accordingly observed growth in GMV in the 10-11% YoY range in the quarter to date, with the Polish Operations growing approximately 11-12% while the Mall Segment softened this result slightly. From Q2, consolidated growth rates fully reflect the Mall Segment in the prior year comparative figures.

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Part III: Targets and expectations for the Q2 2023

Polish Operations	Q1'23E	Q1'23 Actual	Q2'2023E
GMV	13-14% YoY growth	+14% YoY	11-12% YoY growth
Revenue	20-22% YoY growth	+22.7% YoY	16-18% YoY growth
Adjusted EBITDA [1]	20-23% YoY growth	+29.7% YoY	13-16% YoY growth
Capex [2]	PLN 100-110m	PLN 110.8m	PLN 110-120m

Mall Segment [3]	Q1'23E	Q1'23 Actual	Q2'2023E
GMV	1-2% YoY pro-forma decline [4]	0.5% YoY pro-forma decline [4]	3-6% YoY decline [4]
Revenue	2-4% YoY pro-forma decline [4]	2.7% YoY pro-forma decline [4]	8-11% YoY decline [4]
Adjusted EBITDA [1]	PLN 75-80m loss	PLN 69.7m loss	PLN 110-120m loss
Capex [2]	PLN 20-30m	PLN 20.8m	PLN 35-40m

Group Consolidated	Q1'23E	Q1'23 Actual	Q2'2023E
GMV	20-21% YoY growth	+21.4% YoY	10-11% YoY growth
Revenue	64-66% YoY growth	+66.7% YoY	9-11% YoY growth
Adjusted EBITDA [1]	3-6% YoY growth	+14.7% YoY	3-8% YoY growth
Capex [2]	PLN 120-140m	PLN 131.6m	PLN 145-160m

[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 the balance sheet).
[3] GMV and revenue for Q1'23 YoY change expectations and actuals for the Mall Segment are calculated on a pro-forma basis.
[4] Including positive impact from PLN/CZK FX rate changes.

Forward-Looking Statements

This document 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. These forward-looking statements speak only as of the date of this document's publication. 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 document, unless it is required to do so under applicable laws or the WSE Rules.

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