



**Allegro.eu**

Société anonyme

Registered office: at 1, rue Hildegard von Bingen, L-1282 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B214830

(the "Company")

**Allegro.eu comments to 2025 AGM voting recommendations**

The Company would like to provide the following clarifications to the 2025 Annual General Meeting agenda items, where certain negative voting recommendation was brought to the Company's attention.

**Allegro.eu 2025 Annual General Meeting Agenda Item under consideration:**

**Item 27: Amend Allegro Incentive Plan**

The Company proposes a 5-year extension of the period during which the Allegro Incentive Plan ("AIP") awards may be granted to allow the Company to build a more balanced and flexible policy on hiring and motivating employees and managers.

Allegro Incentive Plan provides for and allows for two types of grants - Performance Share Units ("PSU", performance-based) and Restricted Stock Units ("RSU", not bound by performance criteria). As a general rule, the PSU are granted to the most senior executives (Executive Team members), whilst the RSU are for employees overall.

The proposed extension affects both PSU and RSU, and does not change the current major rules of the Allegro Incentive Plan.

***AIP elements under scrutiny:***

Possibility for discretionary bonuses:

Within awards granted to the Executive Team, variable remuneration is performance based by definition (annual bonus and PSU). Indeed, non-performance based compensation is not entirely avoided, but it is strictly limited to exceptional circumstances reasonably justified by the interests of the Company (especially, when it is required to compensate new managers for the income loss from a previous employment). However, even in such situations, revised Policy requires to set vesting terms for such an award. As a result it also has a strong retention element built in, reflecting upon the Company's former practice.

Vesting period:

RSU awards typically vest in three annual tranches with 25%, 25% and 50% respectively on the first, second and third anniversaries of the date of grant.



In case of PSU only notional vesting is applicable in three annual tranches with 25%, 25% and 50% respectively on the first, second and third anniversaries of the date of grant, i.e. no shares are actually delivered to participants before the third anniversary. All PSU awards are subject to performance metrics (as described in detail in the Remuneration Report).

Performance conditions for the long- and short- term incentive plans:

The Company has provided detailed disclosure of targets used for calculating both short term and long term bonus payouts that crystallized as a result of completion of the 2024 financial year, i.e. disclosure is comprehensive on an ex post basis. The reason that the Company does not disclose targets on an ex ante basis is that targets are mainly based on GMV and Adjusted EBITDA KPIs from annual budgets (for the annual bonus) and medium term plans (for each year's 3-year PSU grant), which the Company considers to be highly commercially sensitive information. Ex ante disclosure would be appropriate if targets were being set based on externally measurable criteria, such as relative share price performance, but this is currently not the case for the Company. In the Company's opinion the payout details for the PSU grant for 2022-2024 show clearly that the plans used were highly ambitious in respect to performance needed to receive the maximum 200% payouts.