Allegro.eu
Q2 2022

Results presentation

29 September 2022

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Agenda

1
Initial perspectives from the New CEO

2
Highlights

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Financial results

a. Polish operations
b. MALL segment
c. Group

4
2022 expectations

5
Q&A

2 Q2 2022 Highlights
GMV accelerates in Q2 with Active Buyers returning to growth

Q2'22 GMV and revenue growth showing resilience of Allegro everyday shopping selection at attractive prices, despite weakening macro and new competitors	Consolidated GMV: 23.5% YoY (+16.0% YoY ex. MALL) Consolidated Revenue: +68.9% YoY (+22.3% YoY ex. MALL)
Return to growth in Active Buyers and average annual spend per buyer continues to climb	Active Buyers (ex. MALL): +2.1% YoY, +1.2% QoQ GMV per Active Buyer (ex. MALL): +13.9% YoY, +2.6% QoQ
Lower Adjusted EBITDA YoY with improving trend for Polish operations	Consolidated Adj. EBITDA: -13.5% YoY in Q2'22 Ex. MALL Adj EBITDA -1.5% YoY in Q2'22 vs -13.6% in Q1'22
Completed the MALL Group acquisition in April 2022 with integration progressing at speed to deploy the Allegro marketplace platform to MALL markets in 2023	
Monetization progress: co-financing and success fee initiatives support the Take Rate; growing share of advertising revenue	Take Rate (ex. MALL) up to 10.81% in Q2'22 (+0.35pp YoY) Advertising revenue (ex. MALL): +26.5% YoY, 1.18% of GMV
Continued improvements in delivery times driven by 3P merchant fulfilled network model	Share of parcels delivered next day: up by 6pp YoY in Q2'22
Strong take-up and excellent performance of Allegro Pay with continuously high, sector-leading NPS[1], robust growth and NPLs under tight control	>1 million onboarded customers as of June 2022 PLN 1.26bn loans originated in Q2'22 (>260% YoY) NPS[1] of >94 in Q2'22

1. NPS - Net Promoter Score

2 Further improvements in retail basics and delivery experience

Selection growth

- Broad selection of everyday shopping bargains that help customers save money in an inflationary environment
- Easier to find products on Allegro: Strong progress in productization and converting offers-based view to active products catalogue, significantly reducing duplicated offers
- 200+ new brands onboarded in Q2, including Honda, Yamaha, Sharp, Gardena, as well as popular Polish beauty brands such as Ziaja

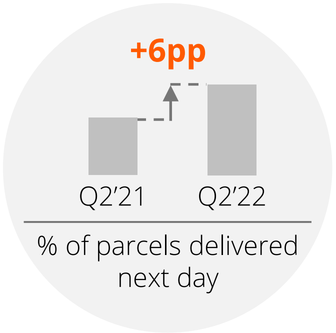
Price competitiveness

- Working with merchants to improve PDR[1] by category and strengthen positive price perception
- Successfully launched Allegro Days in June - a periodical promotion aimed at driving sales, customer engagement and reinforcing price perception

Improving convenience

- Continuously high rNPS[2] level, reaching 82 in Q2
- Launched a contact line dedicated to servicing Allegro One customers

Delivery speed progress



- Merchant-Fulfilled Network: the next day-delivery performance up again by 6pp YoY in Q2'22
- Steady expansion of One Box availability on merchant offers
- Over 2000 One Box lockers installed
- One Kurier: launched same-day and next-day deliveries to One Box and One Punkt

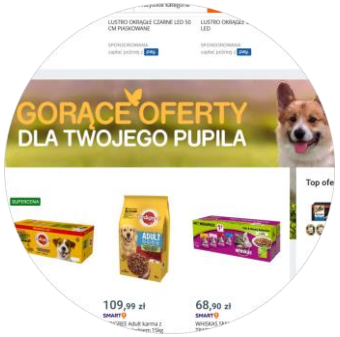
1. Price defect rate
2. Relational net promoter score

2 Continued progress across key growth levers

Smart!

- Expanding the Smart! user base driven by ongoing success of "Smart! for Start" promo and Allegro Family uptake accelerating
- NPS[1] customer satisfaction at 92
- Monetization initiatives cushioning profitability impact from courier MOV[2] reduction launched last year with courier share stabilizing QoQ
- Introducing Polish Post registered parcel service from Q3 as a low-cost alternative to courier

Advertising



- Advertising revenues up by +26.5% YoY and growing as % of GMV
- Ads revenue growth driven by expansion of internal inventory and increasing ads saturation
- Improving algorithms drive higher Ads relevancy for customers and higher CTR[3]

Allegro Pay

- Excellent performance of Allegro Pay in Q2 2022 towards annual goals:
  - Number of onboarded customers reached >1 million in June
  - PLN 1.26bn loans originated in Q2 (260% YoY growth)
  - Sector leading NPS steady at >94
- PLN 273.0m of installment loans sold to AION in Q2, reducing working capital requirement
- Loan balance up 22% QoQ to PLN 445.9m, reflecting the pace of customer onboarding

International development

- Preparations for integrated marketplace launch in Czechia moving at full speed
- Quick wins ongoing to stabilize 1P GMV at MALL
- Implementation of the new international functional organization in progress
- Leveraging new multi-language architecture, recently adding Czech to the platform

1. NPS - net promoter score
2. Minimum Order Value
3. Click Through Rate

2 Update on the MALL Group integration process

- Transaction completed on April 1st 2022
- Multiple teams working on integrating MALL Group with Allegro
- We have two immediate levers to add value to the new organization
  - Launching Allegro 3P platform in Czechia in 2023
  - Turn around MALL 1P operations: stabilizing and then growing GMV with a parallel focus on cost and efficiency

3P platform development on track to launch in Czechia in 2023

- **Platform adjusted to Czech** market (language, specific consumer needs - e.g., productized view, easier onboarding)
- **One fifth of allegro.pl offers ready to export**, aiming for one third at launch
- **Added a network of 2,000+** 3P pick-up points and APMs[1]
- Target **price management model ready**, in line with Poland best practice
- **Go-to-market strategy and launch campaign** ready

1P business redefinition in MALL countries

- **Optimize 1P selection & stock levels** to improve trading economics and cash flow management
- **Optimize SG&A** to limit EBITDA impact on a Group level
- **Align marketing spend** with new platform strategy to improve ROI
- **Improve marketing tools** for brands to increase ads revenues

1. Automated Parcel Machines

3 Q2 2022 key results: Polish operations

GMV	Active Buyers[1]	GMV per Active Buyer[2]	Take Rate[3]
PLN 12,110m Q2'22 +16.0% YoY	13.6m Q2'22 +2.1% YoY	PLN 3,350 Q2'22 +13.9% YoY	10.81% Q2'22 +0.35pp YoY
PLN 22,934m H1'22 +14.5% YoY			10.64% H1'22 +0.20pp YoY

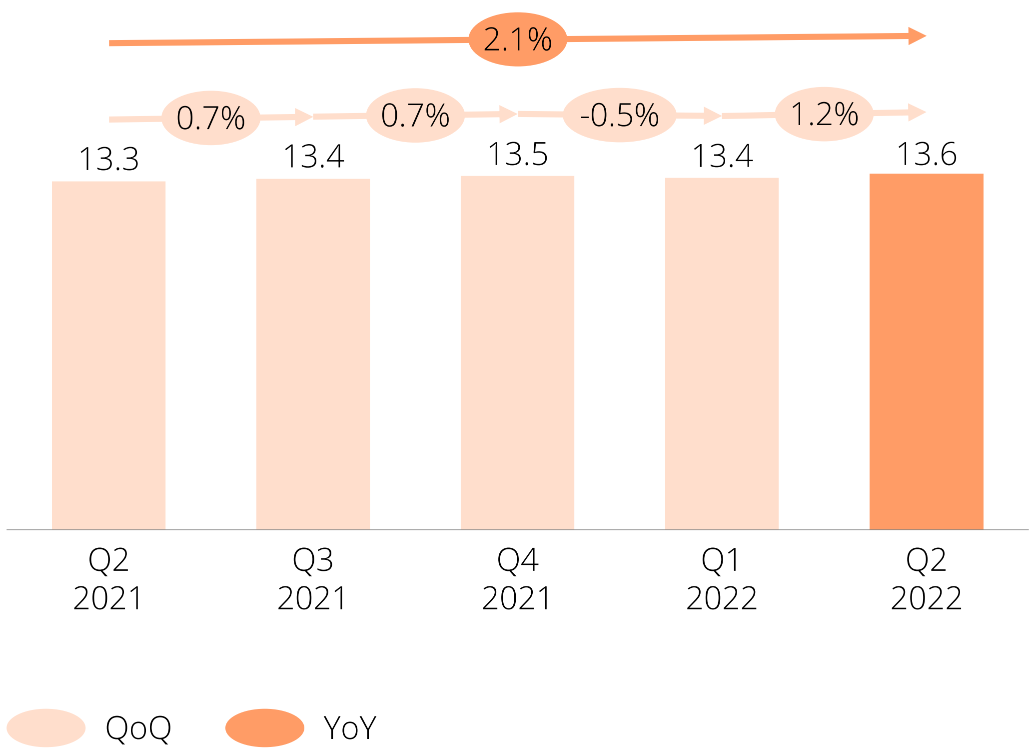
Revenue	Adjusted EBITDA	Adjusted EBITDA / GMV margin	Cash Conversion[4]
PLN 1,600m Q2'22 +22.3% YoY	PLN 551m Q2'22 -1.5% YoY	4.55% Q2'22 -0.81pp YoY	62.1% Q2'22 -21.18pp YoY
PLN 2,993m H1'22 +18.8% YoY	PLN 1,014m H1'22 -7.4% YoY	4.42% H1'22 -1.05pp YoY	63.5% H1'22 -22.46pp YoY

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, Allegrolokalnie.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

3 Active Buyers returning to growth. Increasing annual spend per Buyer with rising Smart! penetration as shift to online continues

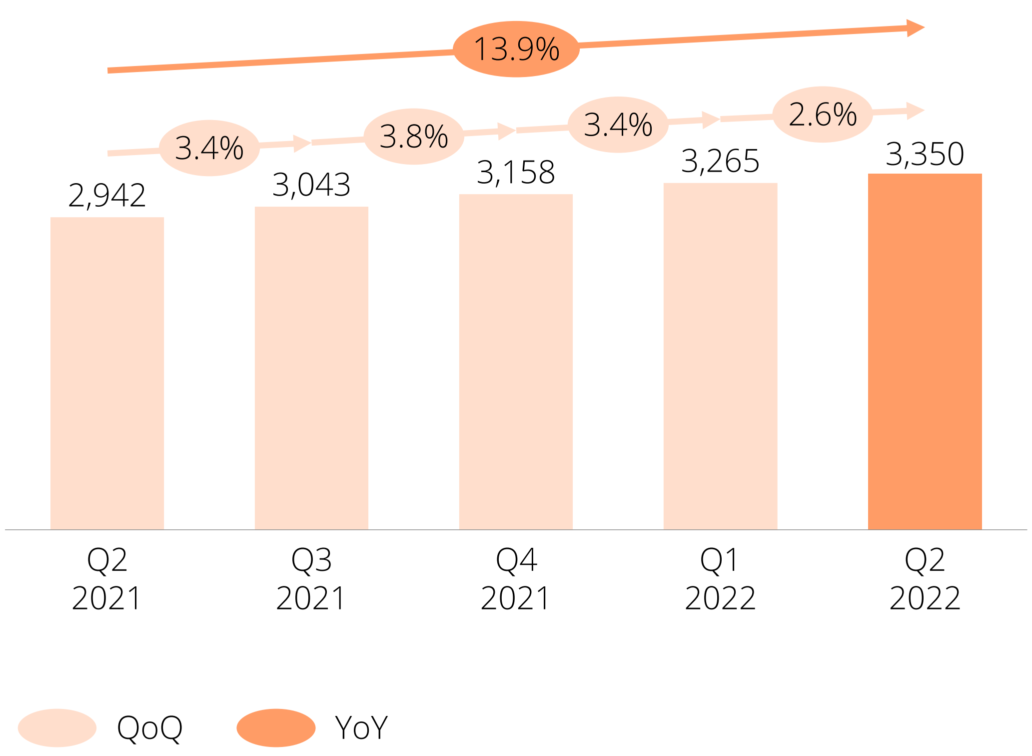
Active Buyers (period end)[1]

m



LTM GMV / Active Buyer (period end)[1]

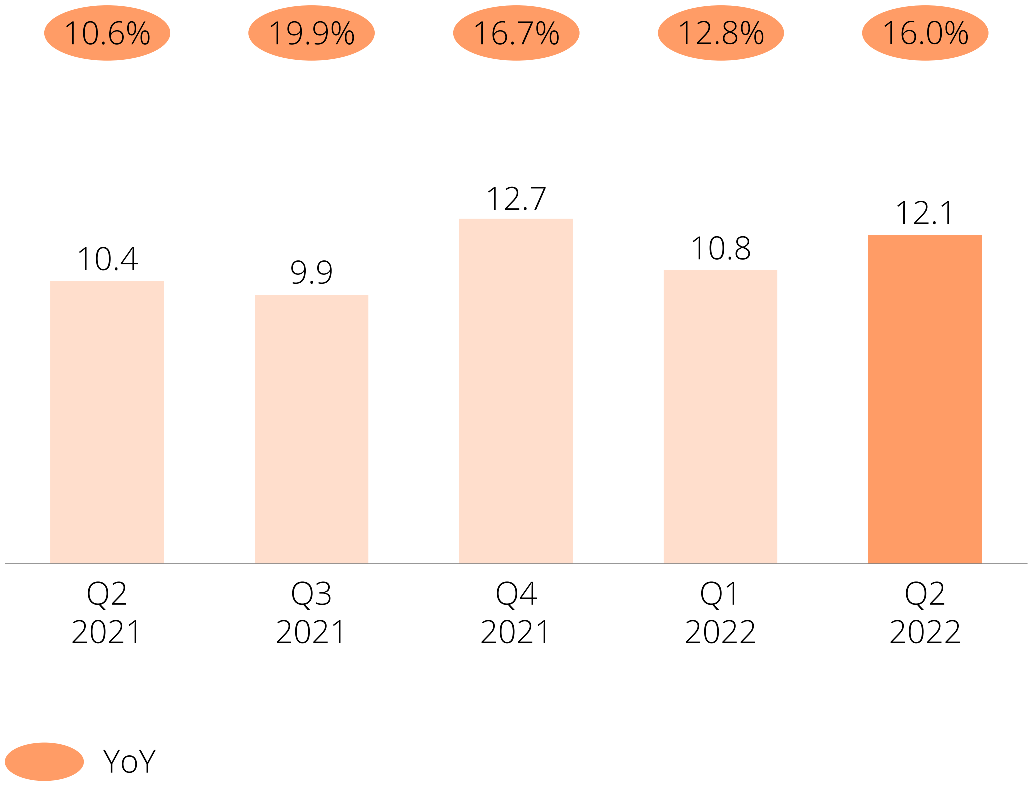
PLN



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, Allegrolokalnie.pl or eBilet.pl in the preceding twelve months

3 GMV growth in Poland accelerating in Q2

GMV[1]
PLN bn

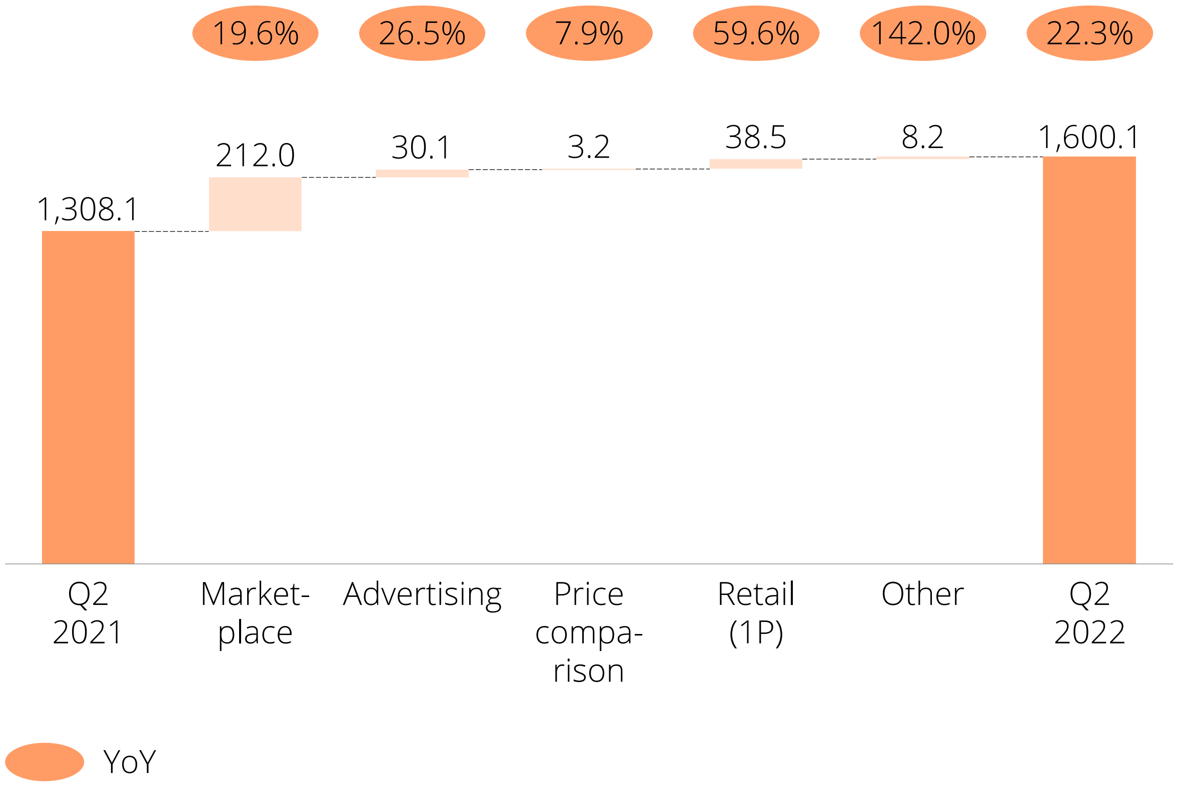


- LTM GMV up by 16.2%, reaching PLN 45.5bn
- Shopping malls were shut down in the base period until 4 May. Growth rate accelerated after lapping the lockdown
- Solid growth maintained in marketplace transactions +9.1%[2] YoY for Q2 vs +11.4%[2] LTM[3]
- Rising ASP[4] inflation partly offset by trading down effect with overall AOV[5] trending upwards
- eBilet contributed 1.3pp positive growth to Q2 run-rate as events and life entertainment were back
- Polish GMV growth for the full Q3 is expected to be slightly above 20% YoY

1. GMV of Allegro Group: Allegro.pl marketplace and eBilet
2. For allegro.pl marketplace, excluding eBilet.pl
3. LTM - in the last twelve months
4. ASP - average selling price
5. AOV - average order value

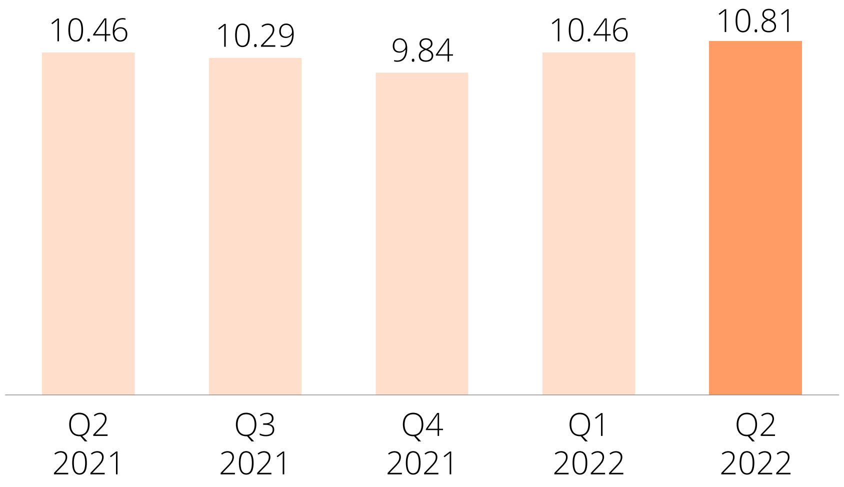
3 Revenue growth driven by marketplace, advertising and retail

Revenue Bridge
PLN m



Take Rate[1]
%

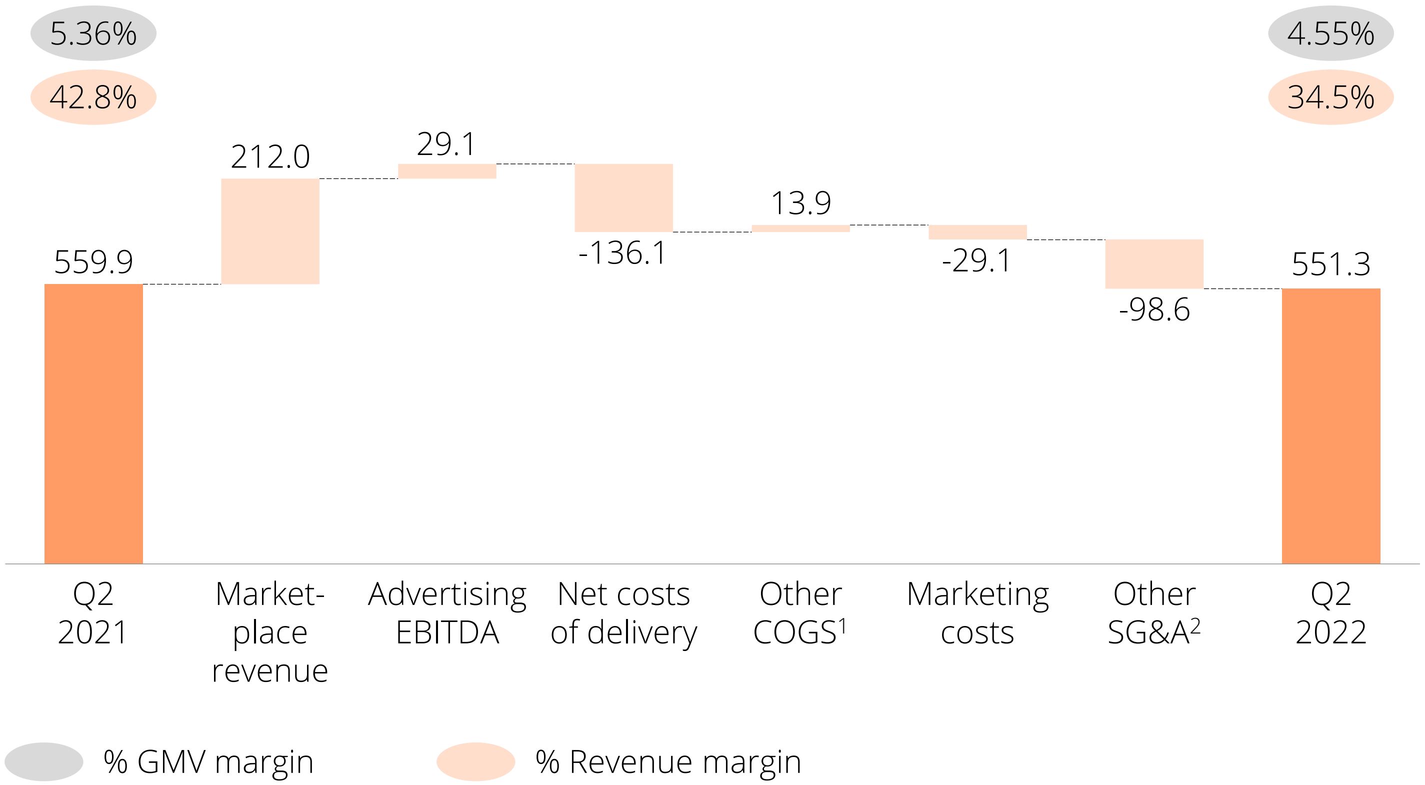
- Take Rate up by 0.35pp YoY benefiting fully from monetization initiatives introduced in Q1



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

3 Adjusted EBITDA performance

Adjusted EBITDA bridge in Q2 2022
PLN m

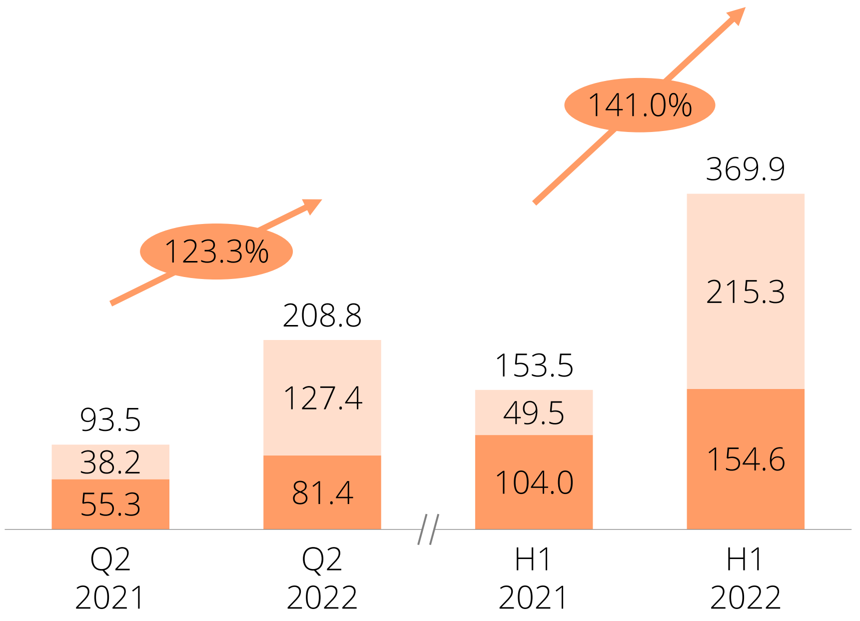


- GMV acceleration combined with higher Take Rate driving marketplace revenue acceleration
- Growing contribution of margin-accretive advertising revenue
- Net costs of delivery up by 0.70pp of GMV YoY driven by significant growth in Smart! GMV share and 17.2pp YoY higher share of courier deliveries. Lapping investments in Smart! should improve Adjusted EBITDA trend in H2
- SG&A YoY growth driven by investment in innovation capacity to support long-term growth and delivery start-up projects
- Staffing up 26% YoY, but only 2% QoQ, as hiring slowed

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 expenses (where not included in advertising EBITDA contribution)

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

Capital expenditures[1] by type
PLN m



	Q2 2021	Q2 2022	H1 2021	H1 2022
% cash conversion[2]	83.3%	62.1%	86.0%	63.5%
% of revenue	7.1%	13.0%	6.1%	12.4%

YoY   Capitalised development costs   Other

- Other capex driven largely by accelerating roll-out of Allegro's own parcel locker (APM[3]) network, investments in the fit-out of the Group's new office buildings, back-office systems, licenses and equipment for new staff
- Adding capacity for the ongoing platform development projects and larger tech team drive higher capitalised development costs in H1

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

3 Q2 2022 key results: MALL

GMV PLN 787.9m Q2'22 -6.0% YoY pro-forma[1]	**Adjusted EBITDA** - PLN 67.1m Q2'22 N/A[2]	**Take Rate[3]** 11.58% Q2'22 N/A
Revenue PLN 610.7m Q2'22 -10.8% YoY pro-forma[1]	**Adjusted EBITDA / GMV margin** - 8.52% Q2'22 N/A	**1P Gross margin[4]** 11.9% Q2'22 N/A

1. Estimates of pro-forma information for the MALL segment comparative financial data based on the same organizational structure
2. Not applicable, as the pro-forma comparative was a negative number with EBITDA loss amounting to PLN 17.2m in the comparable pro-forma period
3. Defined as 3P Marketplace Revenue / (GMV – 1P GMV)
4. Defined as (Retail revenue - cost of goods sold) / Cost of goods sold

3 In Q2'2022 MALL Group recorded 6.0% YoY pro-forma[1] GMV drop, while the 3P business grew 53.6% YoY

Income Statement MALL segment PLN m (unaudited)[1]	Q2 2021 pro-forma	Q2 2022
GMV	**838.1**	**787.9**
% YoY		(6.0%)
of which 3P	80.7	123.9
% YoY		53.6%
of which 1P	757.1	664.0
% YoY		(12.3%)
Revenue	**684.2**	**610.7**
% YoY		(10.8%)
Operating expenses		**(684.4)**
EBITDA		**(73.7)**
Adjusted EBITDA	**(17.2)**	**(67.1)**

- Pro-forma GMV declined in Q2 2022 by 6.0% YoY, with 1P GMV down by 12.3% YoY
- 3P GMV increased by 53.6% YoY, reaching nearly 16% share of total
- GMV decline slowed significantly over course of Q2 from Q1, with Q3 growth expected to be low single-digit % positive YoY (+6-7% incl. currency fluctuations)
- Both GMV and margins were impacted by weaker consumer demand for predominantly discretionary assortment in MALL's key countries of operation
- MALL's margins historically seasonally improve strongly in Q4 due to shopping season

1. Historical GMV data for MALL based on pro-forma for the same organizational structure as acquired by the Group

3 Q2 2022 key results: Group Consolidated

GMV	Adjusted EBITDA	Take rate
PLN 12,898m Q2'22 +23.5% YoY	PLN 484m Q2'22 -13.5% YoY	10.82% Q2'22 +0.36pp
PLN 23,722m H1'22 +18.4% YoY	PLN 947m H1'22 -13.6% YoY	10.65% H1'22 +0.20pp

Revenue	Adjusted EBITDA / GMV margin	Cash Conversion[1]
PLN 2,210m Q2'22 +68.9% YoY	3.75% Q2'22 -1.61pp YoY	53.0% Q2'22 -30.31pp YoY
PLN 3,603m H1'22 +43.1%	3.99% H1'22 -1.48pp YoY	59.0% H1'22 -27.03pp YoY

1. Defined as (Adjusted EBITDA – Capex) / Adjusted EBITDA

3 MALL Group acquisition lifts leverage to 3.5x, with decline expected from Q4

PLN m (unaudited)	31.12.2021	Pro-forma 1 Apr-22	30.06.2022
LTM[1] Adjusted EBITDA Polish segment	2,068.5	1,995.8	1,987.1
LTM[1] Adjusted EBITDA MALL segment	N/A	N/A	(67.1)
Adjusted EBITDA LTM[1]	2,068.5	1,995.8	1,920.0
Borrowings at amortized cost	5,366.3	6,856.2	6,923.0
Lease liabilities	251.1	458.9	667.9
Cash	(1,957.2)	(800.8)	(788.2)
Net Debt	3,660.2	6,514.4	6,802.7
Leverage	1.77 x	3.26 x	3.54 x
Equity	9,454.1	10,910.6	10,942.7
Net debt to Equity	38.7%	59.7%	62.2%

- Key drivers of the Group's leverage increase from 3.26x to 3.54x:
  - Consolidation of MALL Adjusted EBITDA losses
  - Increase in lease liabilities driven by the recognition of right to use assets and corresponding lease liabilities of MALL Group and WE|DO
  - PLN 58.5m non-cash revaluation stemming from the higher interest margin triggered by increased Group leverage, increasing the carrying value of the existing borrowings valued at amortized cost
  - PLN 67.9m additional tax outflow included in Q2 cash flow
- Leverage expected to start declining from Q4'22
- 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)

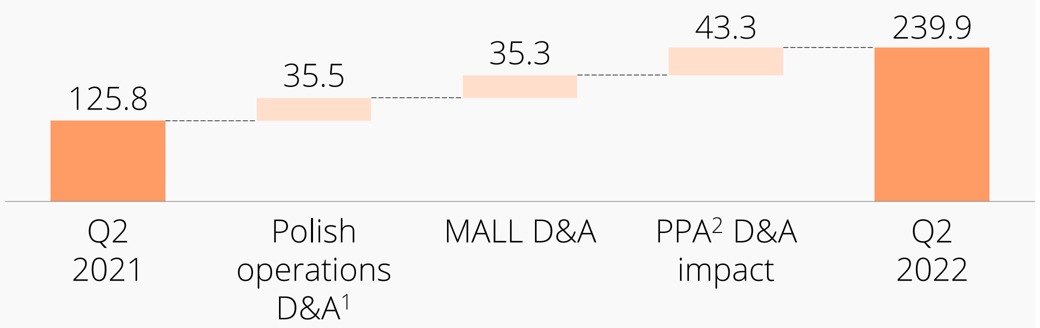
1. LTM - Last twelve months

3 Net profit and D&A bridge

	[PLN m]	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
	EBITDA: Group	**881.5**	**1,075.0**	**(18.0%)**	**448.9**	**547.6**	**(18.0%)**
	Amortisation and Depreciation	(391.1)	(247.1)	0.6%	(239.9)	(125.8)	0.9%
	Operating profit	**490.3**	**828.0**	**(40.8%)**	**209.0**	**421.8**	**(50.4%)**
1	**Net Financial expense**	**(236.5)**	**(102.1)**	**131.5%**	**(181.1)**	**(51.1)**	**254.2%**
	Profit/(loss) before Income tax	**253.8**	**725.8**	**(65.0%)**	**27.9**	**370.7**	**(92.5%)**
2	Income tax expenses	(150.3)	(160.3)	(6.2%)	(91.4)	(74.8)	22.2%
	Net profit/(loss)	**103.5**	**565.5**	**(81.7%)**	**(63.5)**	**295.9**	**(121.5%)**

1. Includes PLN 58.5m non-cash revaluation impact on borrowings stemming from the higher interest margin triggered by increased leverage. Underlying interest expense fully reflects increased leverage after MALL Group acquisition
2. PLN 67.9m estimated additional tax and penalty interest on voluntary settlement of tax audits for the periods from 28 July 2016 to 31 December 2017 and for 2018-2020

Depreciation and Amortisation bridge
PLN m



1. Depreciation & Amortisation
2. PPA - Purchase price allocation

4 2022 expectations

	2022 expectations Polish operations		2022 expectations[3] MALL segment		2022 expectations Group consolidated	
	Allegro-only		MALL-only[3]		Consolidated, 2022E	
	Published May 26th	Update	Published May 26th	Update	Published May 26th	Update
GMV	15-20% YoY growth	15-17% YoY growth	Near-term stabilisation; back to positive growth by YE	Low single-digit % YoY decline	22-28% YoY growth	22-24% YoY growth
Revenue	25-30% YoY growth	23-26% YoY growth	Near-term stabilisation; back to positive growth by YE	Low single-digit % YoY decline	70-76% YoY growth	67-71% YoY growth
Adjusted EBITDA[1]	10-15% YoY growth	10-12% YoY growth	PLN 80-120m loss	PLN 120-160m loss	4-11% YoY growth	2-6% YoY growth
CAPEX[2]	PLN 675-725m	PLN 650-700m	PLN 100-120m	PLN 70-100m	PLN 775-845m	PLN 720-800m

Allegro medium-term expectations for 2023-2026 announced on February 24th under review

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)
3. Expectations for the MALL Group and WE|DO for 9 months to December 2022

5 Questions & Answers

Thank you