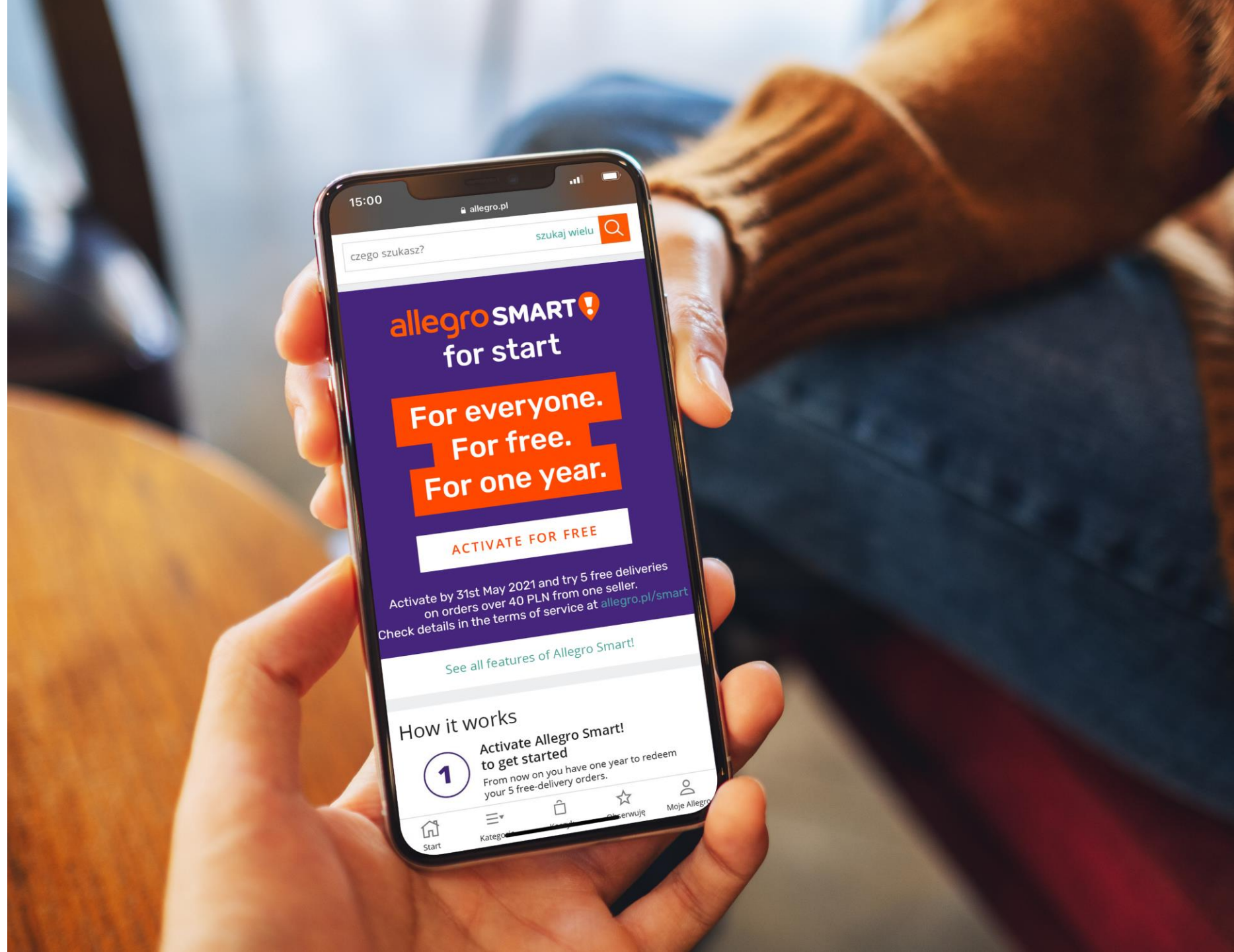


allegro

Allegro.eu Q1 2021

Results presentation

13 May 2021



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Agenda

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Highlights

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Financial results

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Q&A

1 Allegro grows revenue by 61% YoY in Q1 and raises full-year expectations

A solid start to FY 2021 underpinned by strong execution across retail basics, with Smart! penetration outperforming our plans:

- Revenue growing strongly ahead of GMV in Q1 at PLN 1,210.2m, +61.1% YoY
- GMV growing to PLN 9,596.4m, +46.1% YoY
- Further growth in Active Buyers to 13.2m, +13.4% YoY, and in LTM GMV per Active Buyer to PLN 2,879.7, +38.9% YoY
- Customer service NPS¹ reaches a new record of 77.8
- Adjusted EBITDA for Q1 was PLN 535.6m, with growth rising to +50.6% YoY
- Net profit up +158% YoY
- Capex to revenue was 5.0% for Q1, -0.8pp YoY
- High cash conversion and strong results drive continued rapid deleveraging down to 2.1x

Positive momentum moves up our expectations for 2021.

Allegro Incentive Plan (AIP) launched, covering a broad talent pool within the organization.

1. NPS – net promoter score

Source: Company information

1 Q1 2021 key results

GMV

PLN 9,596.4m
+46.1% YoY

Active Buyers

13.2m
+13.4% YoY

GMV per Active Buyer¹

PLN 2,879.7
+38.9% YoY

Take Rate²

10.43%
+1.12pp YoY

Revenue

PLN 1,210.2m
+61.1% YoY

Adjusted EBITDA

PLN 535.6m
+50.6% YoY

Adjusted EBITDA / GMV margin

5.58%
+0.17pp YoY

Cash Conversion³

88.8%
+1.0 pp YoY

1. GMV for the twelve months preceding the end of a period (excluding eBilet's tickets sales) divided by the number of Active Buyers at the end of such period

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

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

Source: Company information

1 Key business developments during Q1 2021



Selection and Price

Smart!

Monetization

Allegro Pay

DEX¹

CX¹ / UX¹

B2B

ESG / CSR

1. DEX – delivery experience, CX – customer experience, UX – user experience
Source: Company information

1 Selection and Price: Dynamic increase in selection and consumer price attractiveness

Continued merchant growth



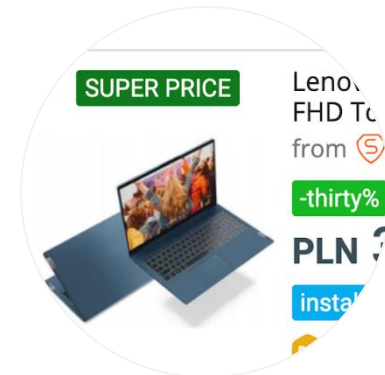
- Double digit growth of active merchants
- MEX¹ on-boarding automated and improved (lead generation CRM, time to listing reduced, etc.)
- Activation programs introduced and driving double digits GMV growth and higher quality for existing merchants

Accelerated selection growth



- Overall selection growing ca. 50% YoY with key improvements in Supermarket, Health & Beauty and Fashion
- 170 top brands introduced over 12 months (e.g., Decathlon, Apart, Fila, S.C. Johnson)
- International selection growing 8 times faster than domestic

Record low prices

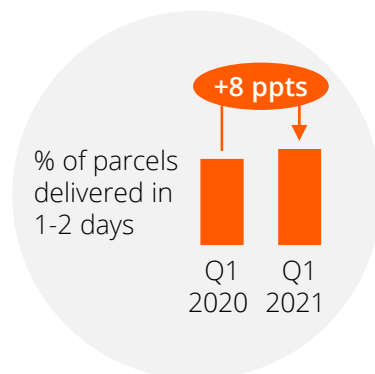


- Best quarter ever in price attractiveness compared to online competition
- *Allegro Ceny* functionality introduced to help merchants offer the best prices on Allegro – more than 1k top merchants participate
- Super Price badge introduced on more than 1 million products – sales increase triple digit on Super Price badge products

1. MEX – merchant experience
Source: Company information

1 DEX¹: Continuous improvement of delivery speed and convenience

Delivery speed improving substantially



- Fast Delivery Subsidy launched in Q1 and gains traction
- Merchants adapt to the fast delivery promise by shortening dispatch times to D+0

Allegro Fulfillment to support merchants with delivery



- Improves delivery speed and convenience, as well as facilitate expansion of international sellers' assortment
- Will generate revenue from storing, packing, dispatch and returns handling, on behalf of 3P merchants
- Fit-out in progress. Pilot testing with select merchants in Q3

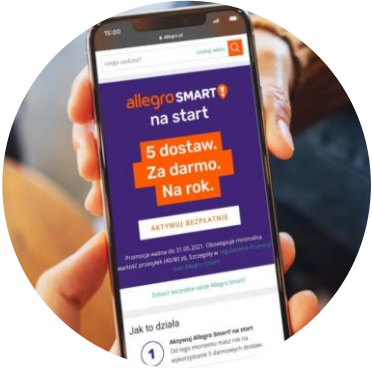
Own lockers network to improve convenience



- Vendor selected for the first 3,000 units
- Core roll-out team in place with nationwide team recruitment ongoing
- Started site acquisition, with launch planned in selected cities in H2

1 Smart!: More users, stronger value proposition and improving economics

Growing engagement and user base



- Rising Smart! penetration and user engagement boosted by Smart! na Start campaign (5 free deliveries within 12 months)
- Targeting lower engaged users who may believe they don't shop enough to justify paid Smart! subscription

Improving Smart! for customers



- Launched several improvements of Smart! for customers, including:
- Courier MOV¹ cut to PLN 80 from PLN 100
 - Raising availability of courier delivery on Smart! offers towards 100%

Managing Smart! economics



- Introduced merchant co-financing on lockers from Jan '21: PLN 0.99 for parcels <PLN 100 and PLN 1.99 for parcels >PLN 100
- Previously co-financing only on courier deliveries

1. MOV – minimum order value
 Source: Company information

1 CX / UX¹: Ongoing upgrades drive conversion and net promoter score

Improving shopping process



- Product and UX improvements drive shopping conversion to new heights
- Improved mobile application shopping process and higher BLIK² payment conversion are key contributors

Top ranking in CX



- Received Star of Customer Service Award for 4th consecutive year
- NPS further improved QoQ
- Automated customer care handling buyer-merchant communication

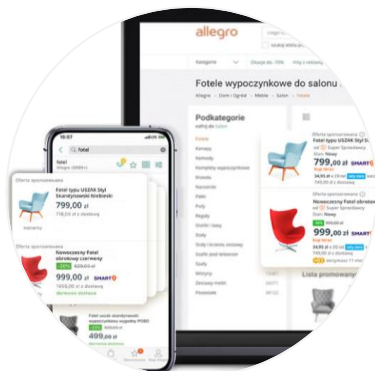
1. CX – customer experience, UX – user experience

2. BLIK is a payment system in Poland that allows users to make instant payments and withdraw cash using only the user's standard mobile banking app

Source: Company information

1 Monetization: Advertising revenues growing faster than marketplace revenues

Advertisers grow faster than total merchants



- Number of advertisers grows x2 faster than total merchants
- High traction with both brands and merchants
- New self-service products and indirect sales generate incremental growth

Ads products innovation drives ROI for merchants



- Improved ads ROI for merchants thanks to ML¹-enabled ads targeting and recommendation mechanism
- Merchants continue to increase spend on new innovative products (e.g. Display self service, trading desk)

Ads revenues outpace GMV growth



- Ads revenues gaining share to >1% of GMV in Q1
- High potential of monetization going forward

1. ML – machine learning

Source: Company information

1 B2B: Launch of the Allegro Biznes™ accelerating GMV growth

Largest B2B offering in Poland



- Merchants willing to join Allegro Biznes as sellers
- Tens of millions of offers updated with B2B discounts and B2B buy-now-pay-later service
- Selection covering all needs of SMEs with focus on electronics, home, automotive

Positive uptake by B2B buyers



- Weekly B2B buyer activity increased by +20% after launch and still growing
- High quality B2B buyer engagement demonstrated in increased spend
- Number of new B2B buyers growing x2 faster

Leading to GMV acceleration



- Allegro Biznes growing faster than total marketplace GMV following its launch

1 Allegro Pay: Rapid acceleration towards delivery of 2021 growth targets



Progress towards 2021 targets:

- PLN 179m loans originated; +135% QoQ
- PLN 132m gross loan portfolio; +150% QoQ

Increasing availability to Allegro clients.

Allegro Pay built loyalty and trust among users. The customer satisfaction measured by NPS reached a score of 87.5.

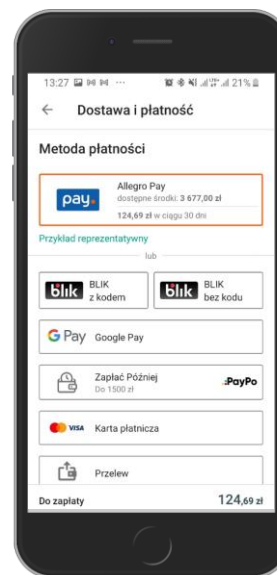
More potential in acquiring Smart! users with the unique benefits of option to pay 3x0%.

Continuous product improvement

Q4 2020

Great experience

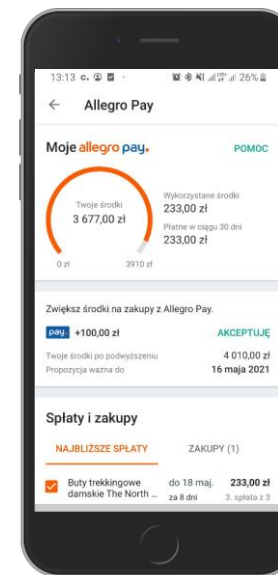
Instant activation and effortless purchase



Q1 2021

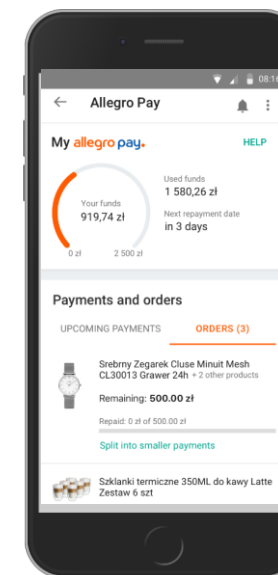
Increased usability

Introduced purchasing limit increase feature to allow more purchases



Installment plans

Introduced option to split buy-now-pay-later into smaller payments



1 ESG / CSR: Allegro joins UN Global Compact principles

Joining UN Global Compact



- Global Compact is the world's largest initiative that brings together businesses working for sustainable development (15,000 organisations from 160 countries)
- Allegro supports the implementation of UN policies and the Sustainable Development Goals (SDGs) included in the 2030 Agenda

Allegro for The Great Orchestra of Christmas Charity Foundation



- Record PLN 30m raised through Allegro charity auctions for Poland's largest annual fundraising event
- Allegro customers have posted over 205,000 offers, and the "bid" button was clicked more than 1.6 million times

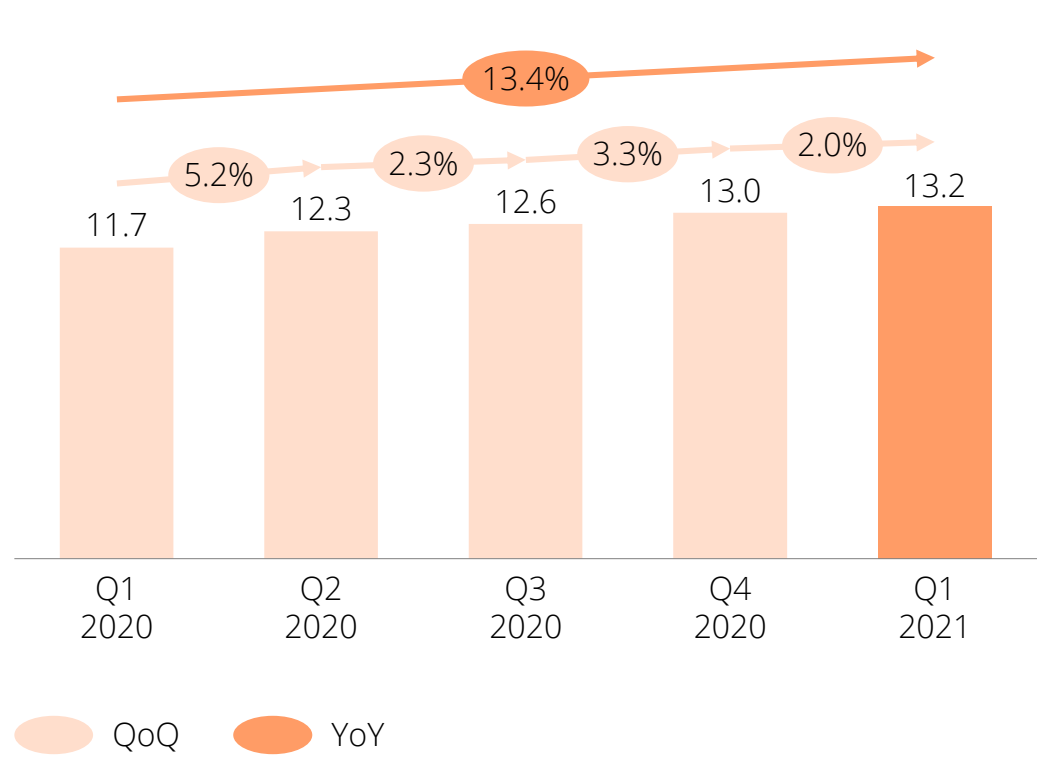
Charitable Donations



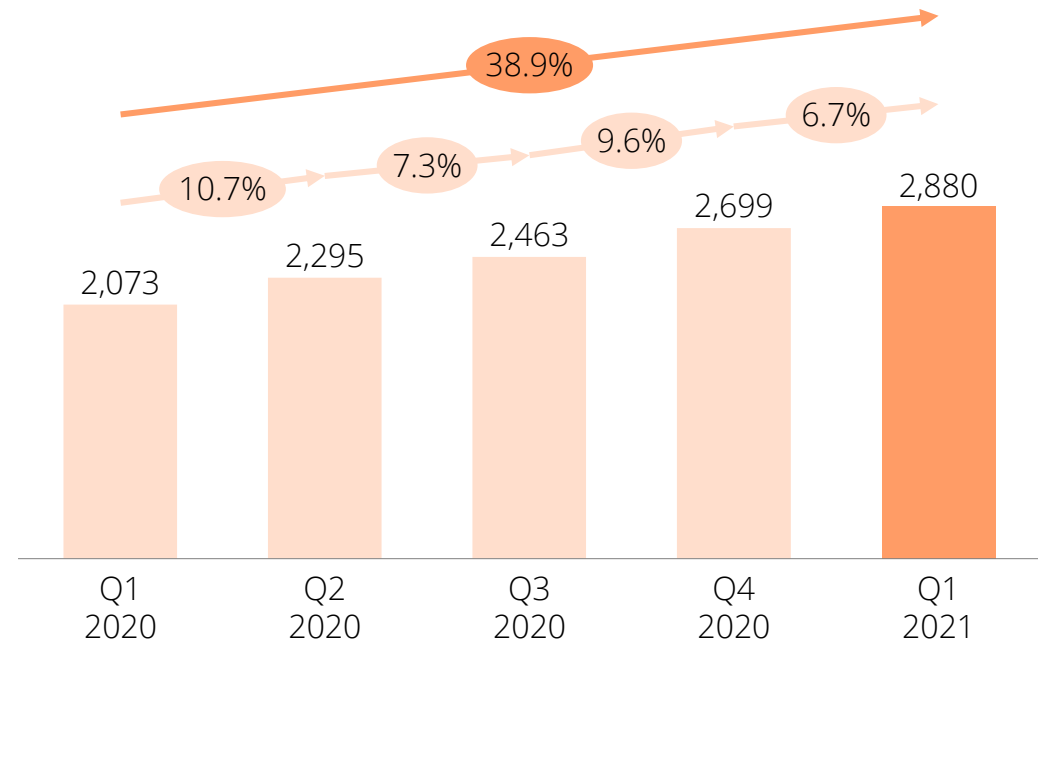
- PLN 2.5m total donations for health service, charitable organisations and NGOs
- Supporting the fight with COVID-19: bought 16 disinfection devices for 16 hospitals, each one in every voivodeship

2 Continued increase in Active Buyers (+2.0% QoQ) and GMV per Active Buyer (+6.7% QoQ) supported through improving retail basics and rising Smart! penetration

Active Buyers (period end)¹ m



LTM GMV / Active Buyer (period end)¹ PLN

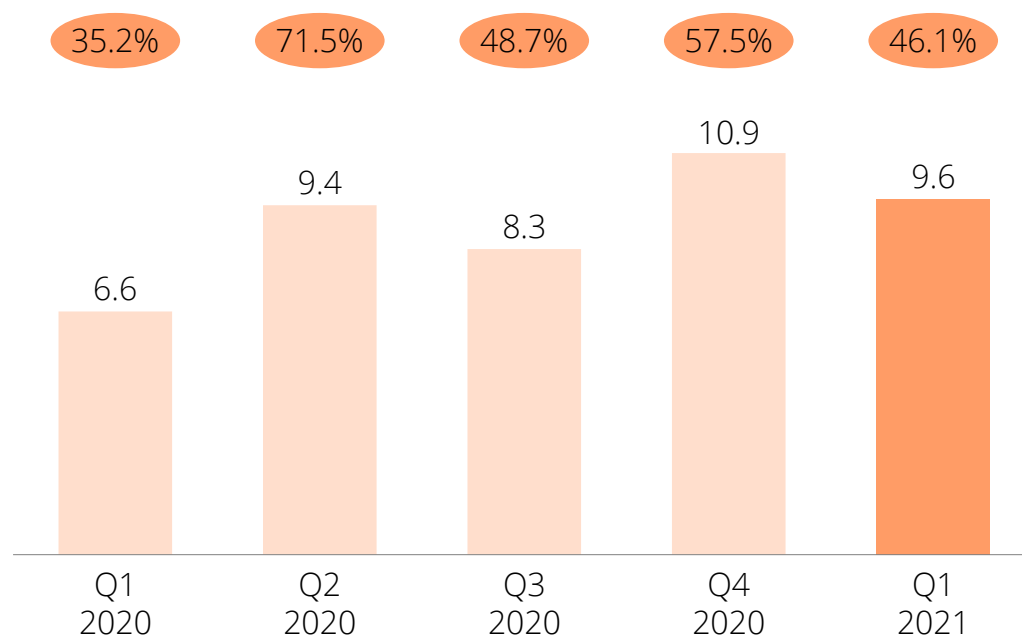


1. Active Buyer (period end) is defined as a unique e-mail address that has made at least one transaction in the last 12 months. Active Buyers (period end) and LTM GMV / Active Buyer (period end) are for Allegro.pl marketplace only (excluding eBilet)

Source: Company information

2 GMV grew 46% YoY in Q1 with FY19-21 CAGR at 40%

GMV¹
PLN bn



YoY

- LTM GMV reached PLN 38.1bn up by 56% YoY
- Smart! penetration, marketing reinvestment and innovation roadmap driving growth
- Positive growth maintained in late Q1 despite starting to lap tougher prior year lockdown and free² Smart! subscriptions from mid-March
- High-single digit YoY growth in April for 40% FY19-21 CAGR

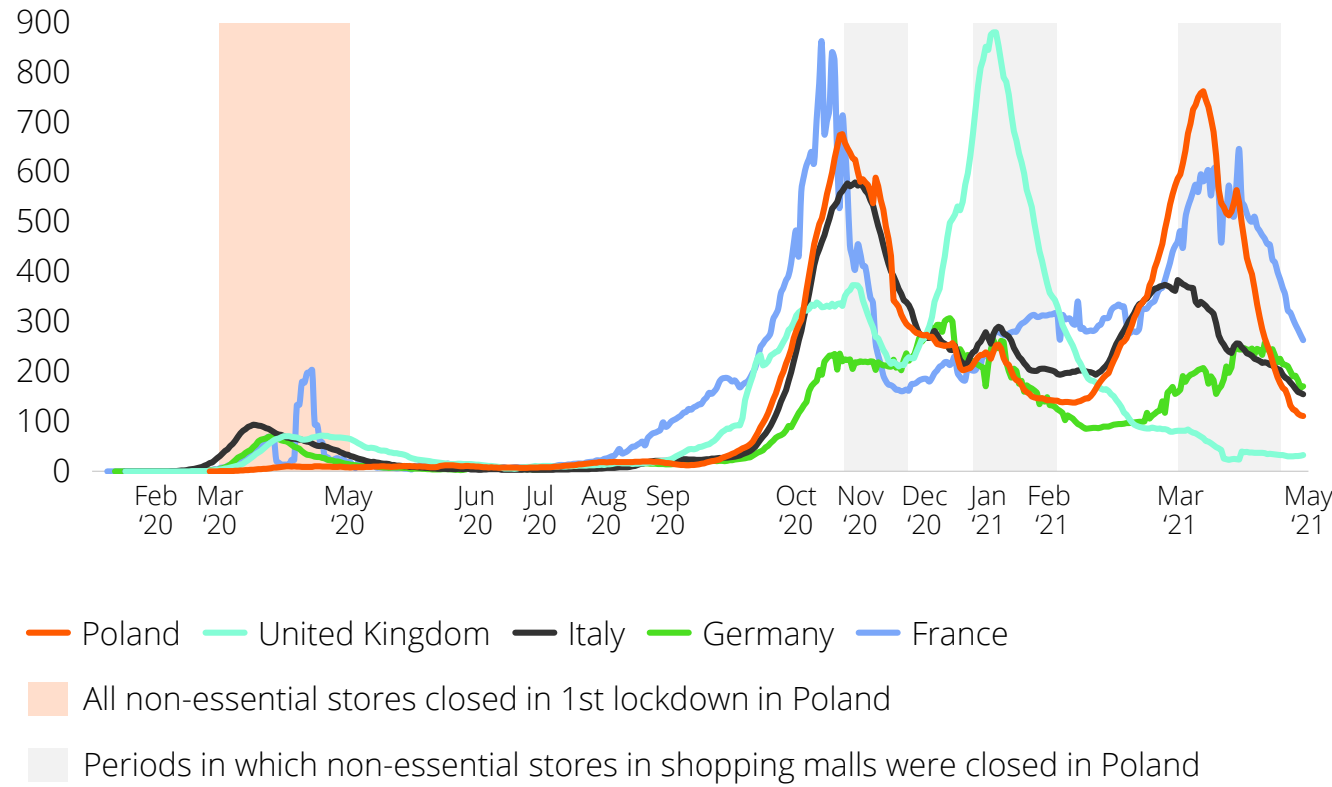
1. GMV of Allegro Group: Allegro.pl marketplace and eBilet

2. At the onset of the COVID-19 pandemic in Poland all buyers on Allegro marketplace were offered free deliveries and returns using the Smart! program for free for three months between mid-March and mid-June 2020

2 COVID-19 update

Daily new confirmed COVID-19 cases per 1m people

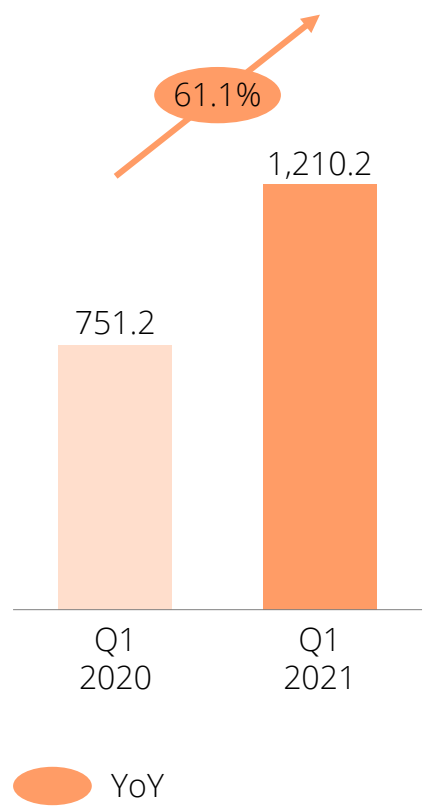
Shown is the rolling 7-day average



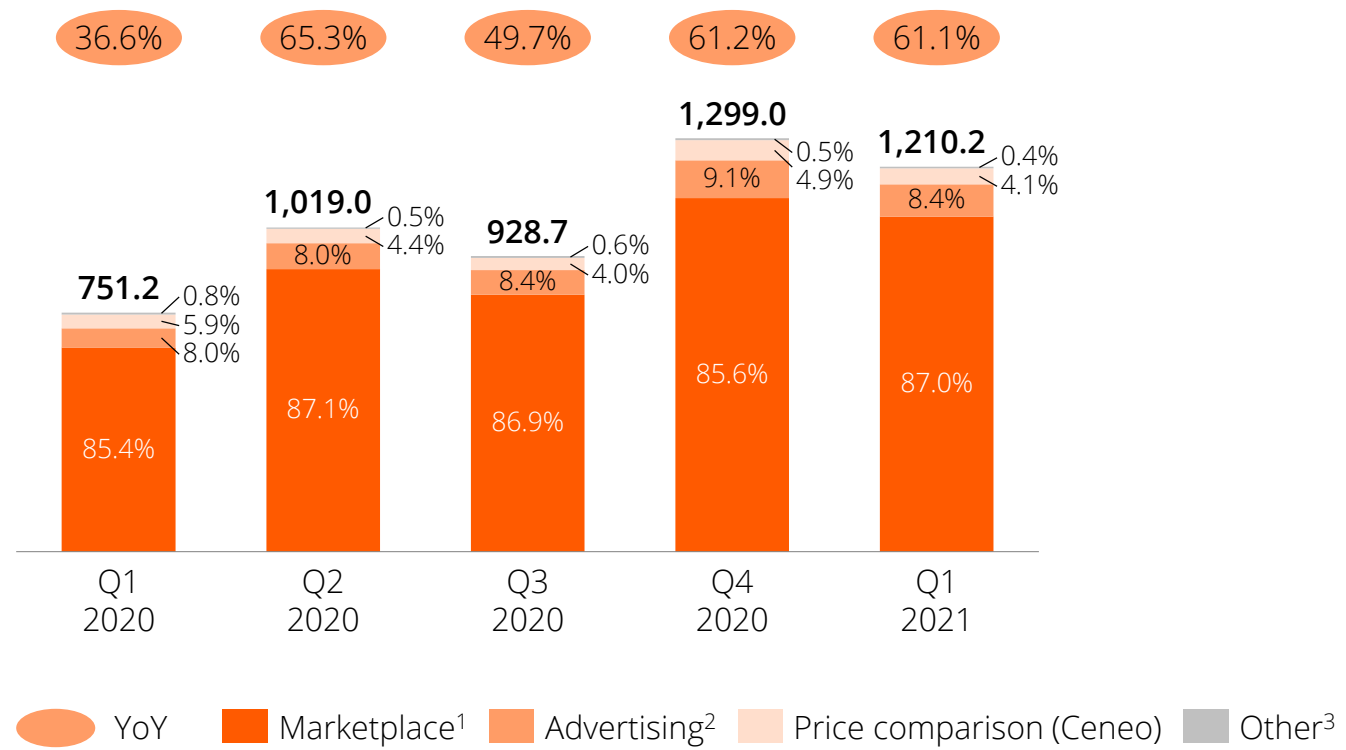
- 3rd wave in Poland peaked in early April
- Still in home working mode
- PLN 2.5m in donations to health service, charities and NGOs in Q1
- Non-essential stores in shopping malls closed countrywide during January and from 20 March to 3 May
- Poland's vaccination program as of 10 May: 10.4m 1st dose; 3.6m 2nd dose (27.1% and 9.3% of population, respectively)
- Planning for a near normal H2 2021 following vaccine roll-out

2 Revenue continued to grow ahead of GMV in Q1 2021, up by 61.1% YoY

Net revenue PLN m



Quarterly net revenue structure PLN m



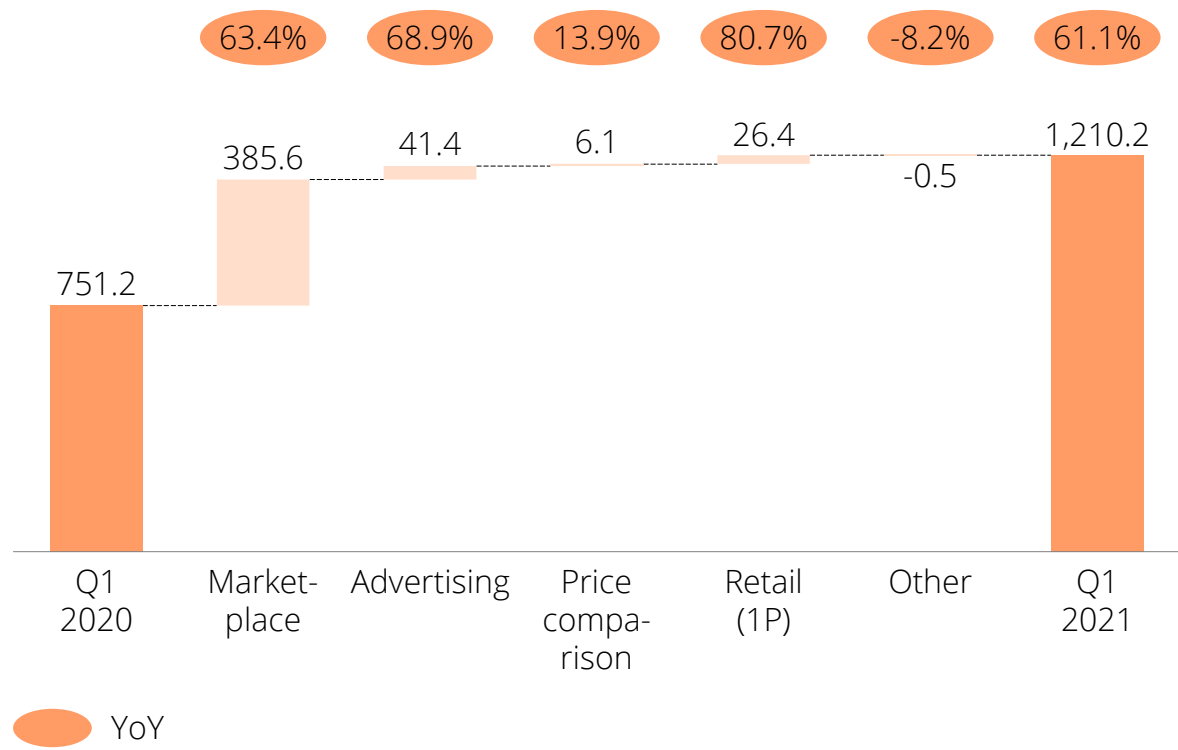
1. Corresponds to 3P Marketplace revenue and 1P Retail revenue
2. Advertising revenue includes Allegro marketplace advertising and Ceneo advertising revenues
3. Other revenue is primarily from hosting services and financial services

Source: Company information

2 Co-financing and delivery monetization drive 112 bps YoY rise in Take Rate. Advertising revenue growing 69% YoY

Net Revenue Bridge

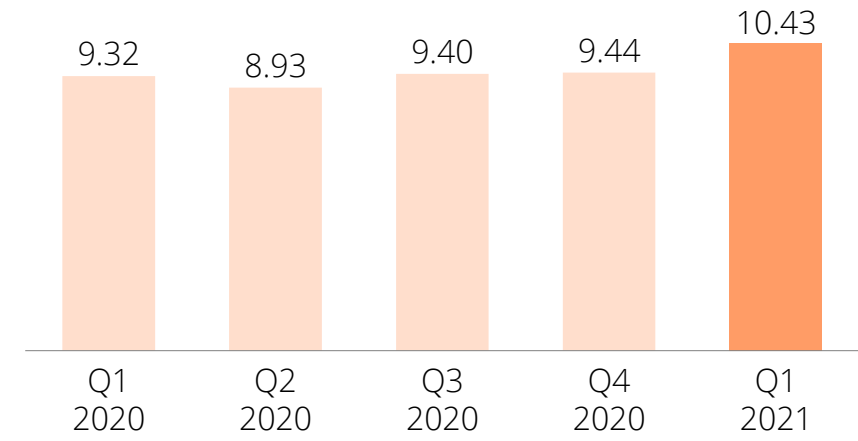
PLN m



Take rate¹

%

- Key pricing initiatives done for 2021
- Mix, price defect reduction, and pay-for-performance rebates expected to moderately reduce Take Rate in Q2-Q4 from Q1 peak

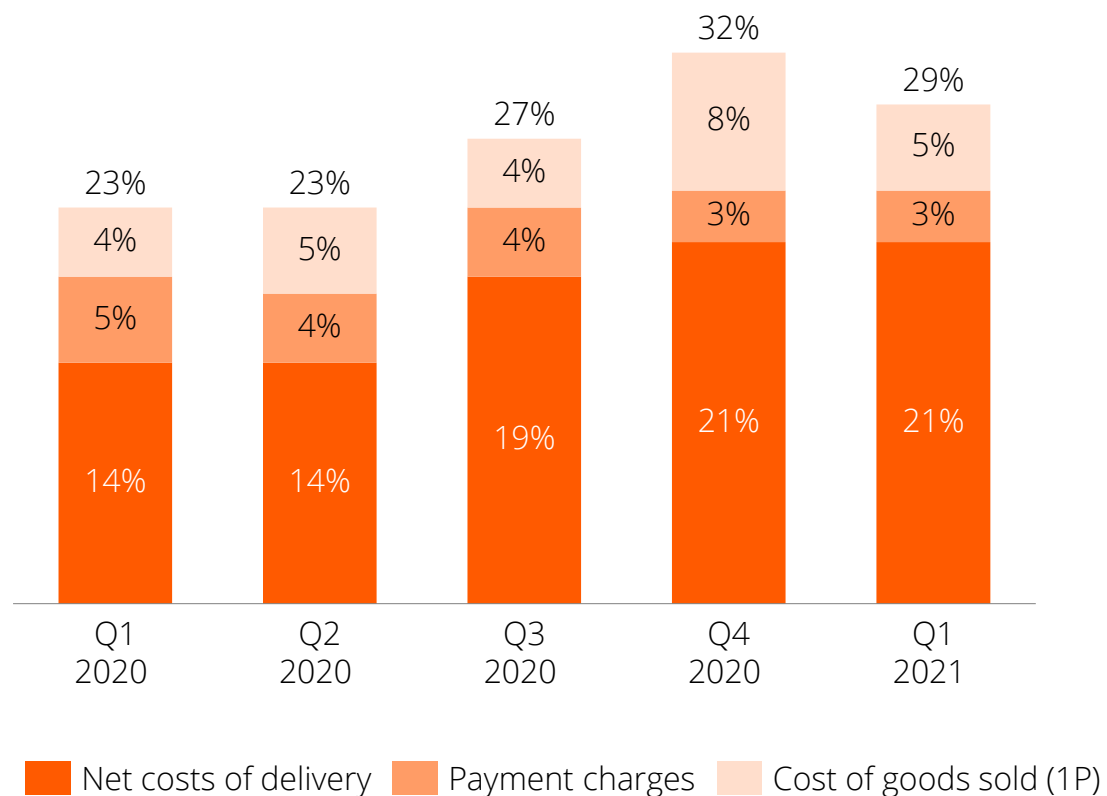


1. Defined as 3P Marketplace Revenue / (GMV - 1P GMV)

Source: Company information

2 Net delivery costs growth driven by rising Smart! penetration

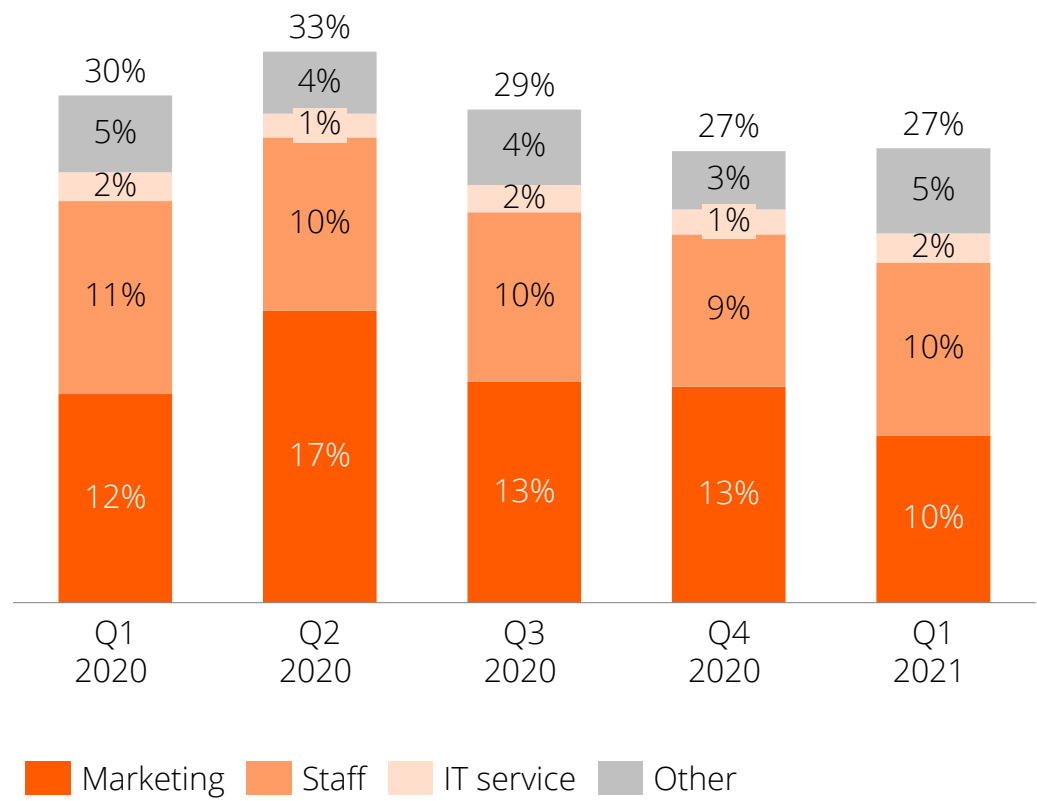
Cost of sales as % net revenue



- Net costs of delivery up by 147% YoY due to rising number of Smart! users and their increasing engagement
- Strong outperformance of revenue over GMV growth drove QoQ stabilization in net delivery costs ratio
- CoGS growth reflects 1P revenue growth as retail positively contributes to enhance the value proposition to buyers while retail gross margin improved by 2.6 ppts

2 Strong operating leverage impact on SG&A performance as % of revenue

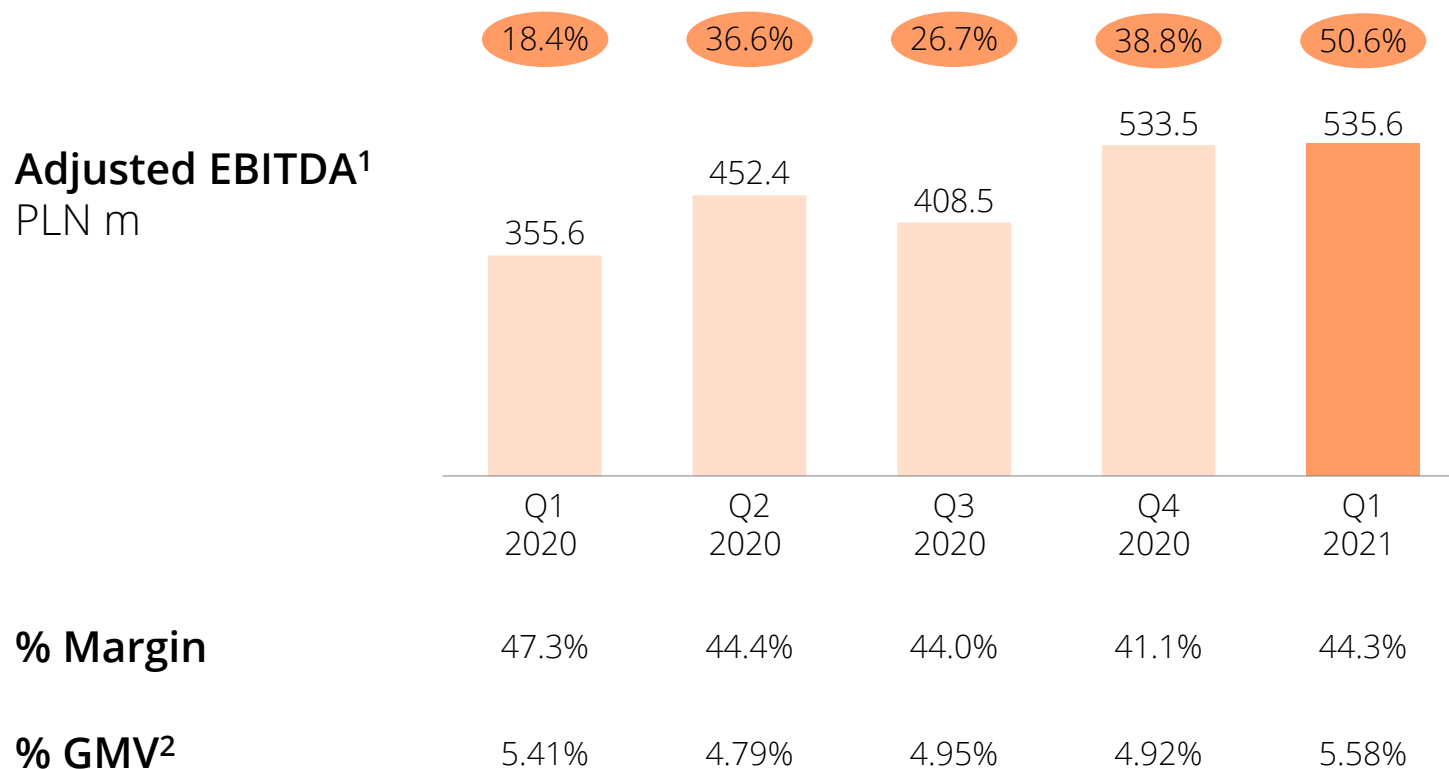
SG&A as % net revenue¹



- Strong top line growth and resulting operating leverage translating to 3.1 pts YoY decline in SG&A as % of revenue
- PPC spend up 47% YoY with rising ROIs driving positive GMV growth contribution
- 1.3 pts YoY decline in marketing costs ratio due to PLN 9.5m of free Smart!² costs included in the base period
- Headcount up 28.5% YoY to deliver on ambitious innovation roadmap

1. In calculating the above percentages of revenue, category expenses are after deduction of amounts relating to items included in the adjustments made to arrive at Adjusted EBITDA
2. At the onset of the COVID-19 pandemic in Poland all buyers on Allegro marketplace were offered free deliveries and returns using the Smart! program for free for three months between mid-March and mid-June 2020

2 Adjusted EBITDA at PLN 535.6m in Q1 2021, up by 50.6% YoY



- Monetization initiatives and advertising growth drove YoY revenue and margin evolution
- Investment into rapid Smart! growth remains a drag on EBITDA margin
- Investment into Smart!, organisation and DEX projects expected to reduce margins in rest of 2021
- Adjusted EBITDA/GMV margin moving towards expected mid-term stabilisation

YoY

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

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

Source: Company information

2 Net profit growing 158% YoY in Q1

| Reconciliation of Adjusted EBITDA [PLN m] | Q1 2020 | Q1 2021 | % |
|--|----------------|----------------|---------------|
| Adjusted EBITDA | 355.6 | 535.6 | 50.6% |
| Monitoring costs | (0.8) | - | -100.0% |
| Regulatory proceedings costs | (1.1) | (0.4) | -68.8% |
| Group restructuring and development costs | (0.0) | (2.0) | 224523.5% |
| Donations to various public benefit organisations | - | (2.5) | - |
| Bonus for employees and funds spent on protective equipment against COVID-19 | (0.0) | (0.3) | 447.7% |
| 1 Allegro Incentive Plan | - | (3.1) | - |
| 2 Management Investment Plan | (3.4) | - | -100.0% |
| EBITDA | 350.2 | 527.5 | 50.6% |
| Amortisation and Depreciation | (114.2) | (121.3) | 6.2% |
| Amortisation | (99.7) | (104.6) | 4.9% |
| Depreciation | (14.5) | (16.7) | 15.2% |
| Operating profit | 236.0 | 406.2 | 72.1% |
| 3 Net Financial result | (97.9) | (51.0) | -47.9% |
| Profit before Income tax | 138.1 | 355.2 | 157.2% |
| Income tax expenses | (33.5) | (85.5) | 155.6% |
| Net Profit | 104.6 | 269.6 | 157.8% |

- 1 Share based compensation costs accrued in Q1 2021 in relation to PSUs grant. Costs of April RSUs grant to be accrued from Q2 2021
- 2 Accrued share based compensation costs of the previous Management Incentive Plan; fully settled in shares at IPO
- 3 Net financial expenses nearly halved due to leverage reduction and refinancing

2 Allegro Incentive Plan: 1st annual grants awarded in April; supporting talent retention and shareholder alignment

Key facts

- Performance Share Units (PSUs) and Restricted Stock Units (RSUs) allocated to senior management and to ca. 30% of employees
- In line with AIP rules set at IPO, 321k PSUs and 717k RSUs granted equate to a maximum dilution of 0.13% of existing share capital
- PSU can deliver between 0 and 2 shares per unit depending on 3-year GMV and EBITDA performance
- Awards vest in three tranches over 3 years
- Annual share based compensation costs estimated at PLN 23.4 million for 2021 and PLN 53.3 million in total for this grant over 2021-2024 period

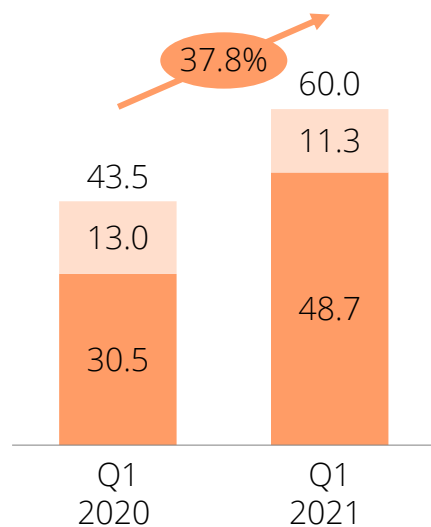
Key benefits

- Drive ownership approach and shared goals among management, staff and shareholders
- Support and build on 79% Employee Engagement Index 2020
- Attract and retain the best talent in Poland and internationally
- Senior management incentivized to drive financial performance with variable PSU awards

2 Capex to revenue falls to 5.0% despite 38% YoY higher investment

Capital expenditures¹ by type

PLN m



- Capitalized development cost from growing software development team the main capex cost driver YoY
- Short delays in new office access postponed fit-out spending into Q2
- Prior year other capex includes COVID-19 emergency platform hardware spend acceleration
- DEX spending set to accelerate in Q2 with acceptance of Fulfilment Center installations
- Locker investment to ramp sequentially from quarter to quarter

% cash conversion² 87.8% 88.8%

% of revenue 5.8% 5.0%

● 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





Source: Company information

2 Further organic deleveraging down to 2.1x

| [PLN m] | Mar-20 | Dec-20 | Mar-21 |
|------------------------------|--------------|--------------|--------------|
| Adjusted EBITDA LTM | 1,394 | 1,750 | 1,930 |
| Borrowings at amortized cost | 6,170 | 5,438 | 5,443 |
| Lease liabilities | 85 | 73 | 76 |
| Less Cash | (373) | (1,185) | (1,490) |
| = Net Debt | 5,883 | 4,326 | 4,029 |
| Leverage | 4.2x | 2.5x | 2.1x |
| Equity | 6,735 | 8,090 | 8,406 |
| Net debt to Equity | 87% | 54% | 48% |

- Solid cash generation and strong financial results drove continued rapid deleveraging in Q1 2021, down by 0.4x QoQ to 2.1x
- Declining net leverage, 5 Year bullet repayment and lower debt service provides the Group with flexibility to pursue investment opportunities

2 Expectations for 2021 moving up

| | 2020 Actual | FY 2021 FY 2020 report | | FY 2021 Update | Comments |
|------------------------------------|--------------------|---------------------------|---|-----------------------------------|---|
| GMV | 54% YoY growth | High teens% YoY growth |  | High teens-Low 20s% YoY growth | <ul style="list-style-type: none"> Assumes March-April offline retail lockdown is the last Smart! outperformance |
| Revenue | 54% YoY growth | High 20s% YoY growth |  | Low 30s% YoY growth | <ul style="list-style-type: none"> GMV outperformance with take-rate ticking down in Q2-Q4 |
| Adjusted EBITDA¹ | 31% YoY growth | Mid teens% YoY growth |  | High teens-Low 20s% YoY growth | <ul style="list-style-type: none"> Increased Smart! penetration and SG&A ramp-up to support innovation capacity in Q2-Q4 |
| CAPEX | 5.8% of revenue | PLN 550-600m |  | Unchanged | <ul style="list-style-type: none"> H2 2021 more capital intensive than H1 |

- Takes account of expected intensification of competition as 2021 progresses
- Downside not included if Polish digital advertising tax proposals are voted into law

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

3 Summary

Strong start to 2021 on both consumer-facing inputs and financial outputs

Raising financial expectations for 2021

Allegro Pay scale-up on track

Continued progress on the delivery experience roadmap to drive additional logistics revenues and faster delivery

Limited impact from recent changes in competitive landscape

Investing in people to deliver on ambitious innovation roadmap



4 Questions & Answers



Thank you