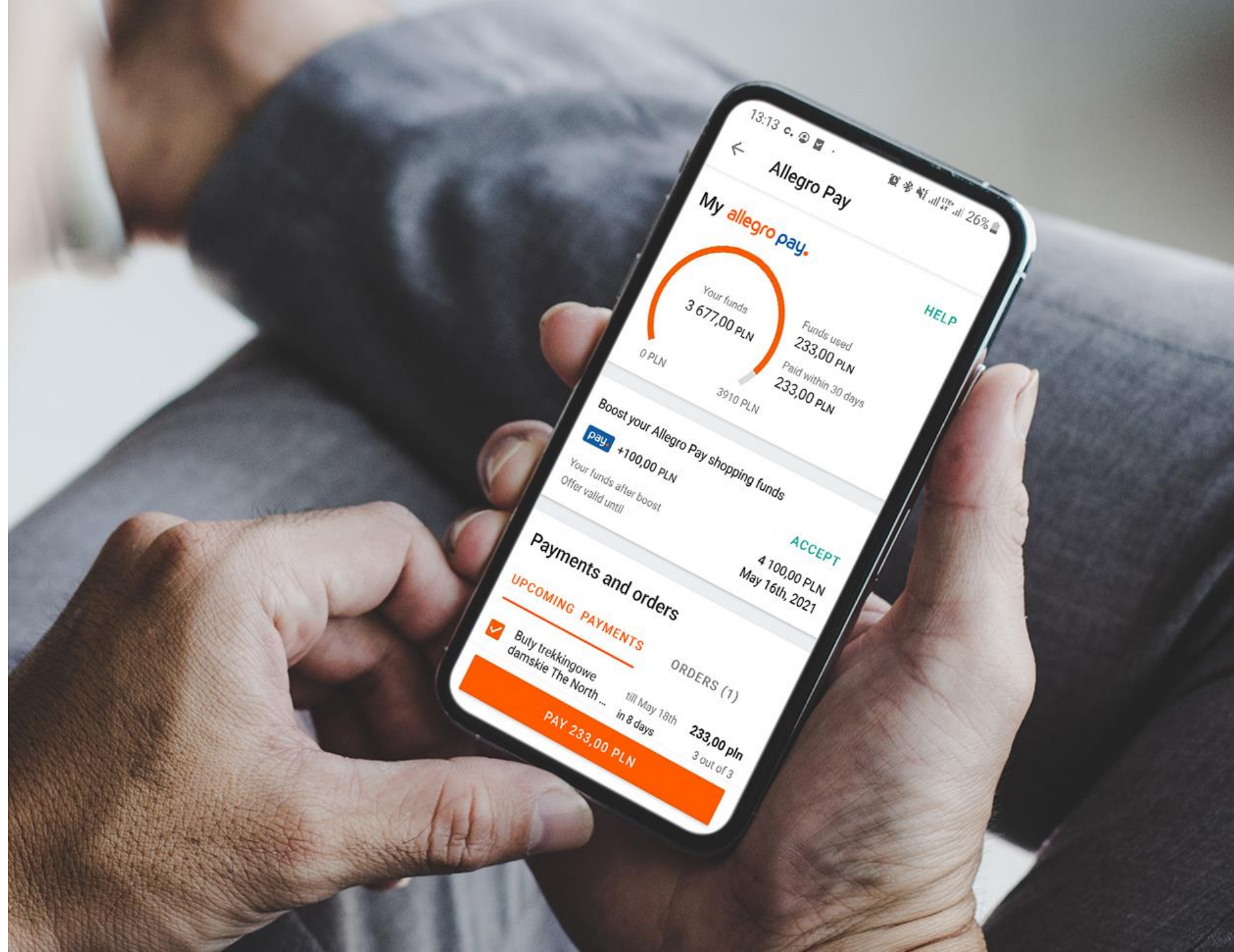




Allegro.eu Q2 2021

Results presentation

5 August 2021



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Agenda

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Highlights

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Financial results

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Summary

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Q&A

1 Allegro grows GMV by 10.6% YoY in Q2 versus the toughest comparative quarter in 2020; with 2019-21 GMV CAGR at 38%

Continuous progress on business inputs and development roadmap drove YoY growth, with revenue advancing 28% and Adjusted EBITDA up by 24% for Q2

- GMV growing to PLN 10,440m, +10.6% YoY for Q2 and to PLN 20,036m, +25.2% YoY for H1 2021
- Higher Take Rate and growing advertising lift revenue by +28.4% YoY in Q2 to PLN 1,308m and by +42.3% YoY in H1 to PLN 2,518m
- Active Buyers grew by 7.2% YoY at 13.2m in Q2, stable QoQ as offline retail recovers from prior year total lockdown
- Growth in Smart! and retail basics execution drives LTM GMV per Active Buyer growth to PLN 2,969, +29.4% YoY, and +3.1% QoQ
- Customer service NPS¹ reached the level of 78.5 vs prior year 69.1
- Adjusted EBITDA for Q2 was PLN 560m, +23.8% YoY, and for H1 PLN 1,096m, +35.6% YoY
- Net profit up +59.9% YoY in Q2 and +95.2% YoY in H1
- Capex growing by 24.0% YoY in Q2 and 29.0% YoY in H1, reaching 7.1% of Q2 and 6.1% of H1 revenue
- Leverage down below 2x triggering lower interest payments in H2

Maintaining raised 2021 expectations from the Q1 update with marginally lower capex

1 Q2 2021 key results

GMV

PLN 10,440m Q2'21
+10.6% YoY

PLN 20,036m H1'21
+25.2% YoY

Active Buyers

13.2m Q2'21
+7.2% YoY

GMV per Active Buyer¹

PLN 2,969 Q2'21
+29.4% YoY

Take Rate²

10.46% Q2'21
+1.53pp YoY

10.45% H1'21
+1.36pp YoY

Revenue

PLN 1,308m Q2'21
+28.4% YoY

PLN 2,518m H1'21
+42.3% YoY

Adjusted EBITDA

PLN 560m Q2'21
+23.8% YoY

PLN 1,096m H1'21
+35.6% YoY

Adjusted EBITDA / GMV margin

5.36% Q2'21
+0.57pp YoY

5.47% H1'21
+0.42pp YoY

Cash Conversion³

83.3% Q2'21
+0.0pp YoY

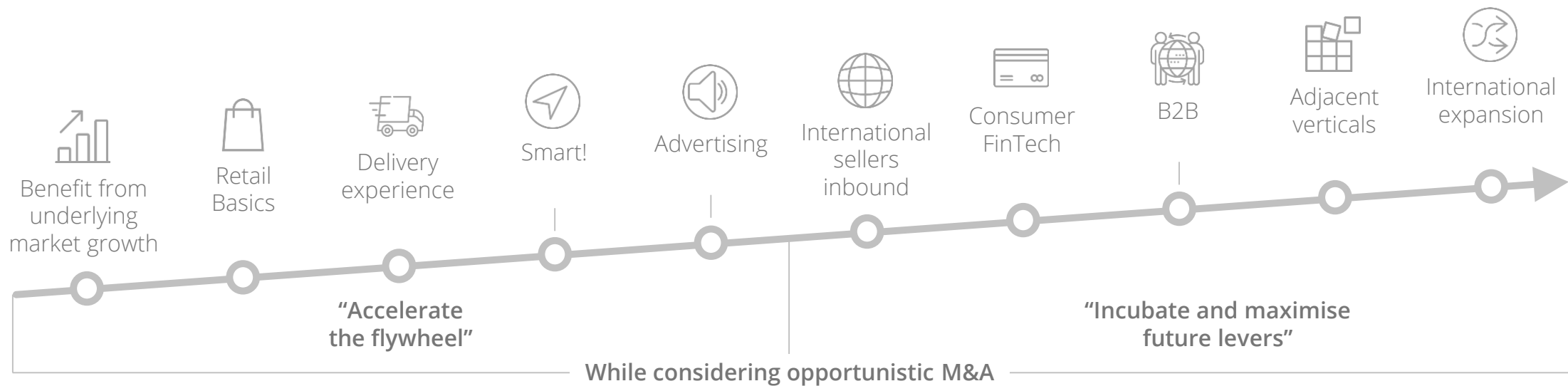
86.0% H1'21
+0.7pp YoY

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

1 Key business developments for Q2 2021



Selection and Price

Delivery experience

Monetization

B2B

Convenience

Smart!

Allegro Pay

International

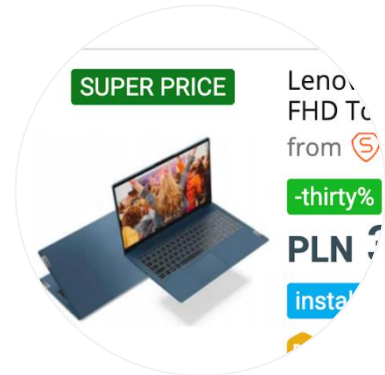
1 Retail Basics: growing selection, keeping low prices, and constantly improving convenience

Continued selection growth



- Rapidly improving selection with YoY offers growth continuing to run at ca. 50%
- Key new brands and retailers: Julia, CD Projekt RED Gear, Time Trend, Kontigo
- eBilet is back with events reopening bringing positive sales growth

Price leadership



- Progressing on price leadership versus competition, including online new entrants
- Further expanding *Allegro Ceny* pricing support program – from 2k merchants in Q1 to current 5k

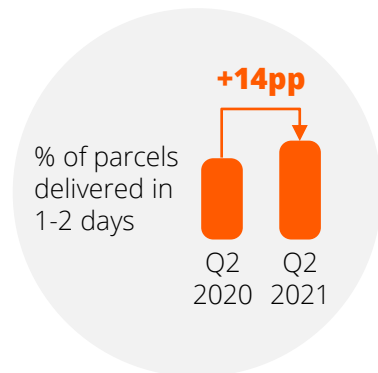
Improving convenience



- Growing app penetration with ca. 50% LTM buyers having Allegro app
- Simplified Buyer Protection Program and widened scope for higher transaction safety
- Increasing automation of consumer interactions: 0.4m Q2 contacts handled by chatbot
- Launch of Allegro Family on July 15th with multiple benefits for households: shared access to Smart!; personalized shopping experience for each member; 1-click purchase requests from less experienced buyers

1 Delivery experience: ongoing improvement in delivery speed; Allegro Fulfillment and Last Mile projects progressing through the test stage

Improving delivery speed



- Very strong improvement in 1-2 day deliveries share driven largely by shortening merchant dispatch times through a number of initiatives, including Fast Delivery Subsidy program
- Improved visibility of offers with fast delivery promise on customers' shopping path

Allegro Fulfillment



- Fit-out and recruitment for the first phase complete with first shipments planned for the autumn
- Pilot start date with selected merchants expected in Q3, despite delays with integration of the 3rd party Warehouse Management System
- Capital intensive fit-out and recruitment in H2 to prepare for full scale operations

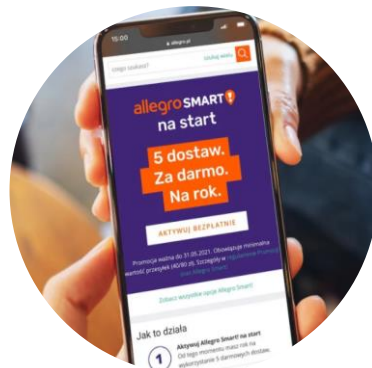
Last Mile



- First APMs deployed in Q2 with launch of deliveries planned for the autumn
- Positive market reception on design and eco-solutions. Site acquisition ramping up with installation and testing in progress
- Own Pick-Up Drop-Off network went live with 600 locations countrywide in Kolporter press stores

1 Gaining Smart! customers and strengthening value proposition

Growing the user base



- Continuing growth in Smart! user base and GMV penetration
- Prolonged Smart! for Start campaign following initial success with ~50% conversion to paid subscription after reaching 5 free orders limit

Improving Smart! for customers



- Extended availability of free to-door courier deliveries to >99% of Smart! offers
- Rising number of Smart! offers and improving delivery speed
- Allegro Family launch allows multiple buyer accounts to share a Smart! subscription, unlocking personalized UX¹ features for all Smart! users

1. UX – user experience
Source: Company information

1 Monetization: Take Rate stable QoQ at 10.46%; advertising share of GMV >1% with 39.5% YoY revenue growth

Marketplace



- Similar to Q1, co-financing and delivery monetization remained strong drivers of YoY Take Rate growth
- Robust demand for offer promotion services offset higher discounts to support marketplace pricing
- No new major commission changes introduced in Q2

Advertising



- Strong Sponsored Offers performance despite slower traffic growth, fueled by continuous growth of active advertisers, increase of CPC¹ and optimized ad placements
- Ramp-up of the new advertising network service

1. CPC – cost per click

Source: Company information

1 Advancing future growth levers: Allegro Pay, B2B and International

Allegro Pay



- Solid progress towards 2021 targets:
 - PLN 347m loans originated; +95% QoQ
 - PLN 231m loans balance; +74% QoQ
 - Expected credit losses at 2.1%
- NPS reached 89 as users praise simplicity and convenience
- Key features implemented in Q2: card repayment; one-click buy directly from product page

B2B



- B2B GMV growth solidly outperforming total marketplace growth since launch
- B2B buyers NPS¹ of 75.8, up by 2.8 points QoQ with promoters focusing on wide selection, quick shopping and transaction safety
- The number of offers with B2B discounts doubled since platform launch

International



- Since 8 June merchants can ship to all EU countries² through an integrated logistics carrier brokered by Allegro
- Expanding selection for customers outside of Poland. Combined with merchant-arranged deliveries, over 35 million offers are now available for EU exports

1. NPS – net promoter score

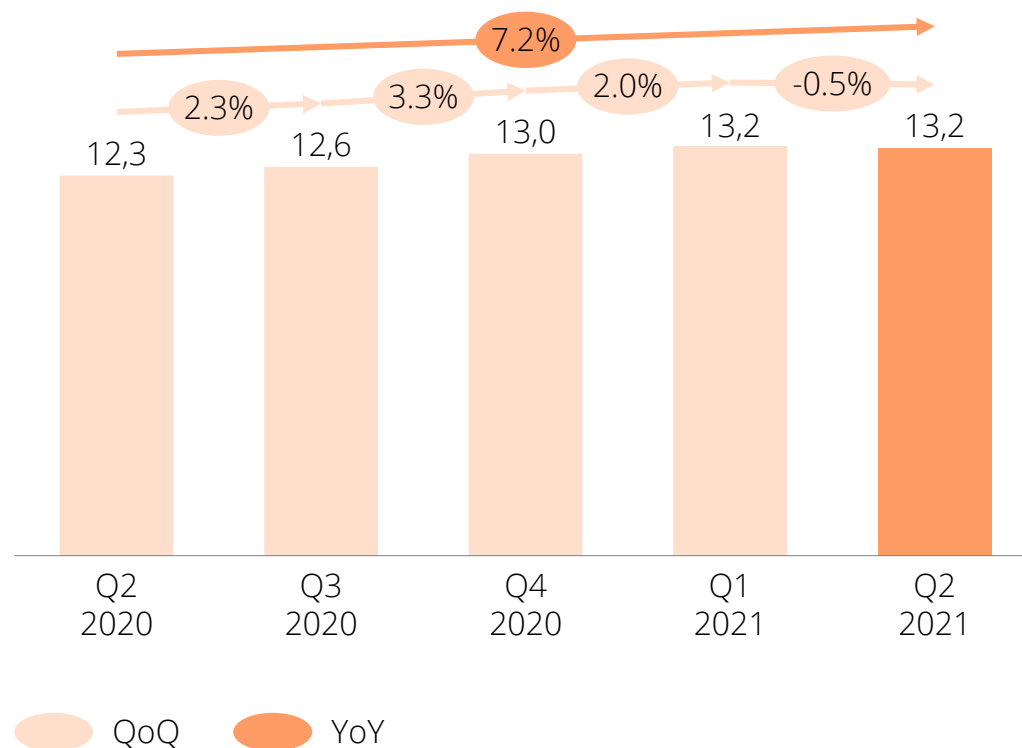
2. Except Malta and Cyprus

Source: Company information

2 Active Buyers grew by 7.2% YoY with solid retention of new buyers from the Q2 2020 lockdown

Active Buyers (period end)¹

m

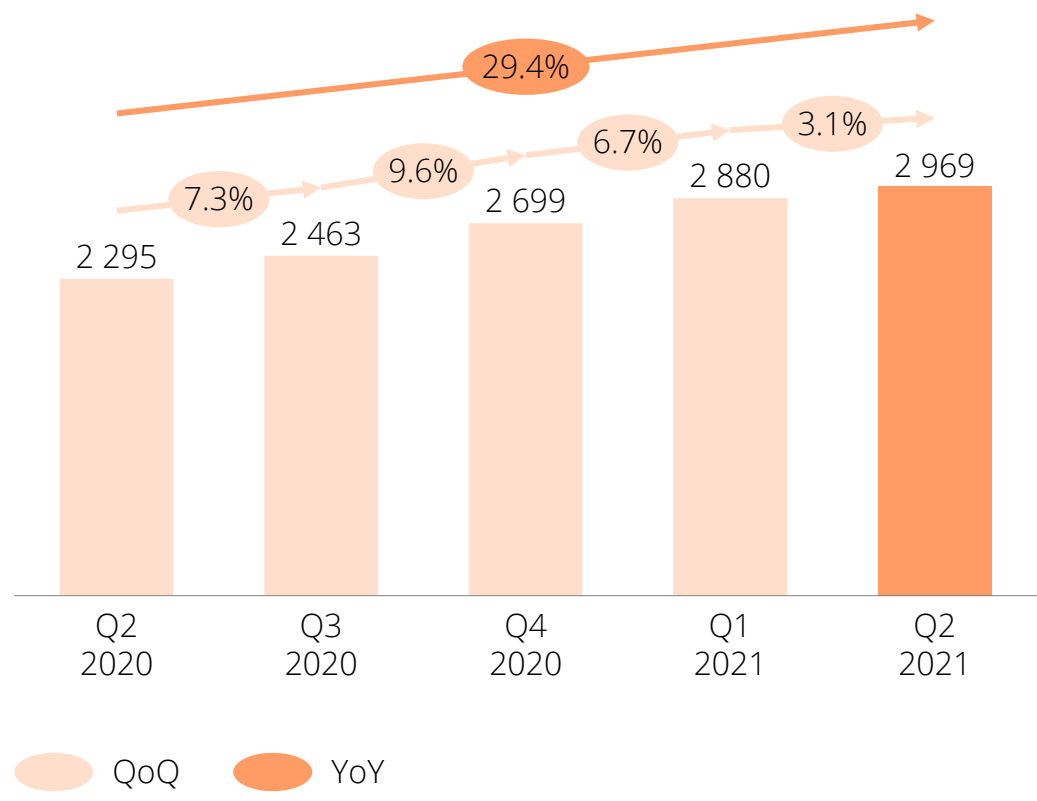


- Active Buyers is an LTM measure
- Q2 2020 new buyers cohort acquired at the onset of COVID-19 was up 50% YoY vs Q2 2019 cohort
- 64% of Q2 2020 new buyers were retained after 12 months in Q2 2021, reflecting sequentially improving new buyer retention
- Resulting high absolute new buyer churn after 12 months offset the normalized new buyer acquisition in Q2 2021

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)

2 LTM GMV per Active Buyer grew by 29.4% YoY and 3.1% QoQ

LTM GMV / Active Buyer (period end)
PLN



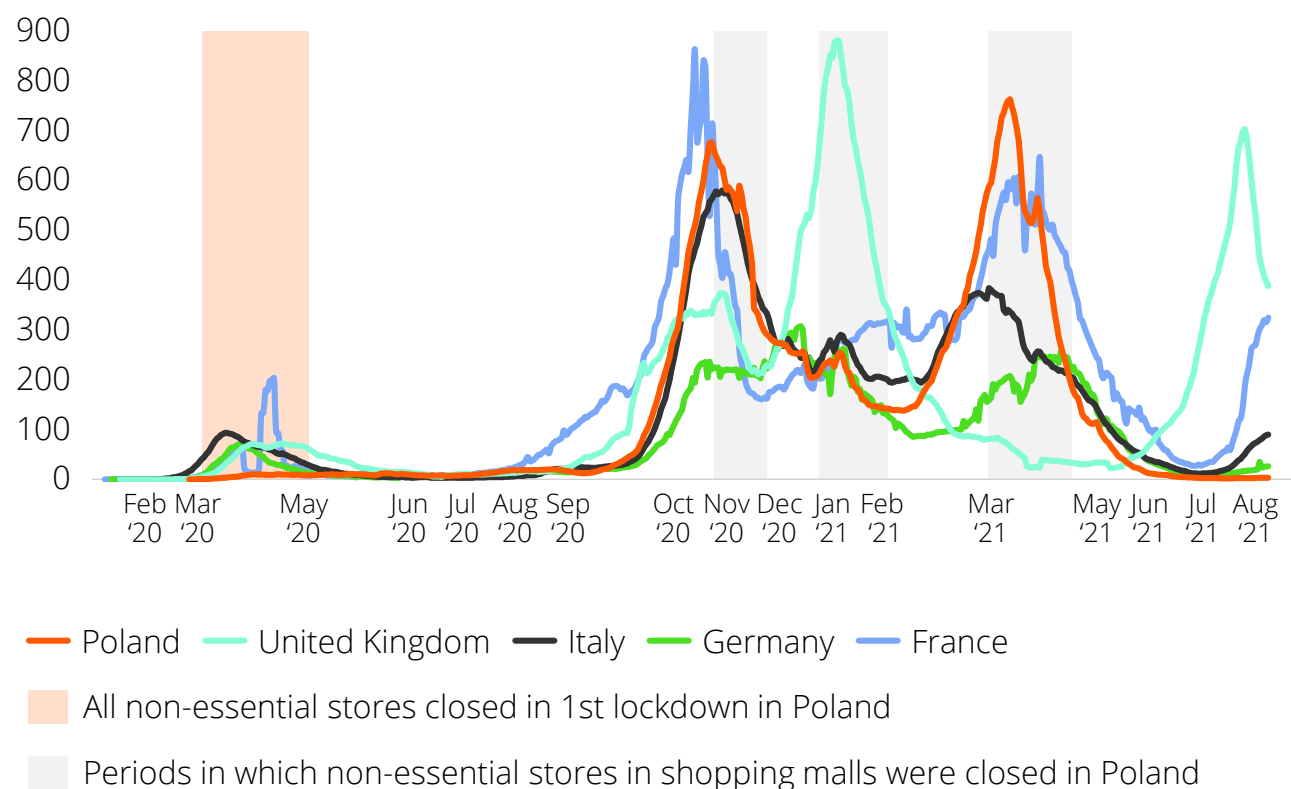
Source: Company information



2 COVID-19 update: offline retail in Poland reopened in May

Daily new confirmed COVID-19 cases per 1m people

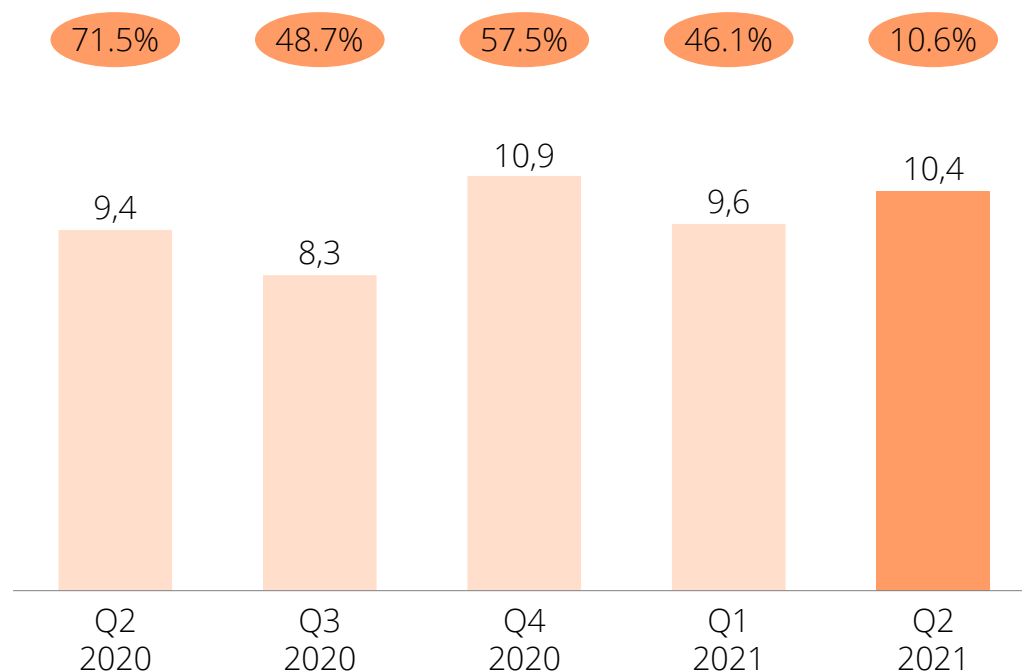
Shown is the rolling 7-day average



- Q1/Q2 2020 lockdown closed *all* non-essential offline retail and Smart! subscriptions were offered for free from mid-March to mid-June, creating the biggest growth headwind of 2021
- 3rd wave in Poland peaked in early April
- Non-essential stores in shopping malls closed countrywide in January and from 20 March to 3 May
- Offline retail sales growth recovering strongly since March 2021
- Poland's vaccination program as of 01 August: 18.4m 1st dose; 16.1m 2nd dose (48% and 42% of population, respectively)
- Planning for a near normal H2 2021 following vaccine roll-out

2 GMV grew by 10.6% YoY in Q2 with FY19-21 CAGR at 38%

GMV¹
PLN bn



YoY

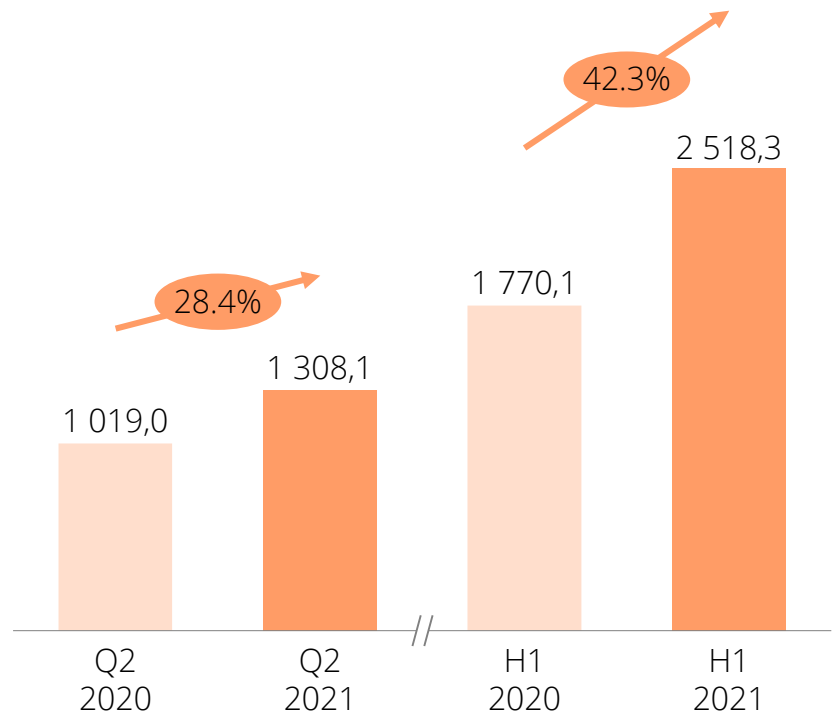
- LTM GMV reached PLN 39.1bn up by 37.6% YoY
- Rising Smart! penetration and retail basics execution keeps improving the Smart! GMV share and buyer engagement
- Progressively stronger YoY growth month to month in Q2 as April was the toughest comparative
- Still lapping free Smart!² subscriptions until mid-July
- eBilet starting to contribute positively to Q2 GMV growth at +0.2pp
- YoY growth rate continuing to climb in early Q3

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

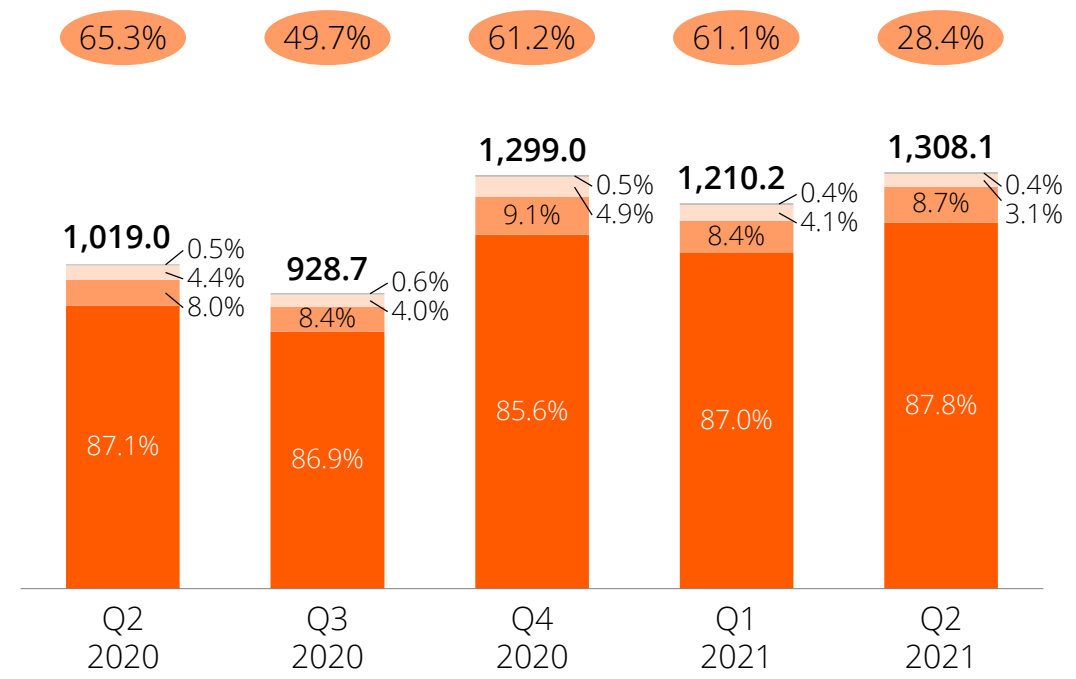
2. At the onset of the COVID-19 pandemic in Poland all buyers on Allegro marketplace were offered free deliveries and returns using the Smart! program for free for three months between mid-March and mid-June 2020. This offer ran down to zero active free subscriptions by mid-July 2020

2 Revenue continued to grow ahead of GMV in Q2 2021, up by 28.4% YoY

Revenue PLN m



Quarterly revenue structure PLN m



YoY

YoY

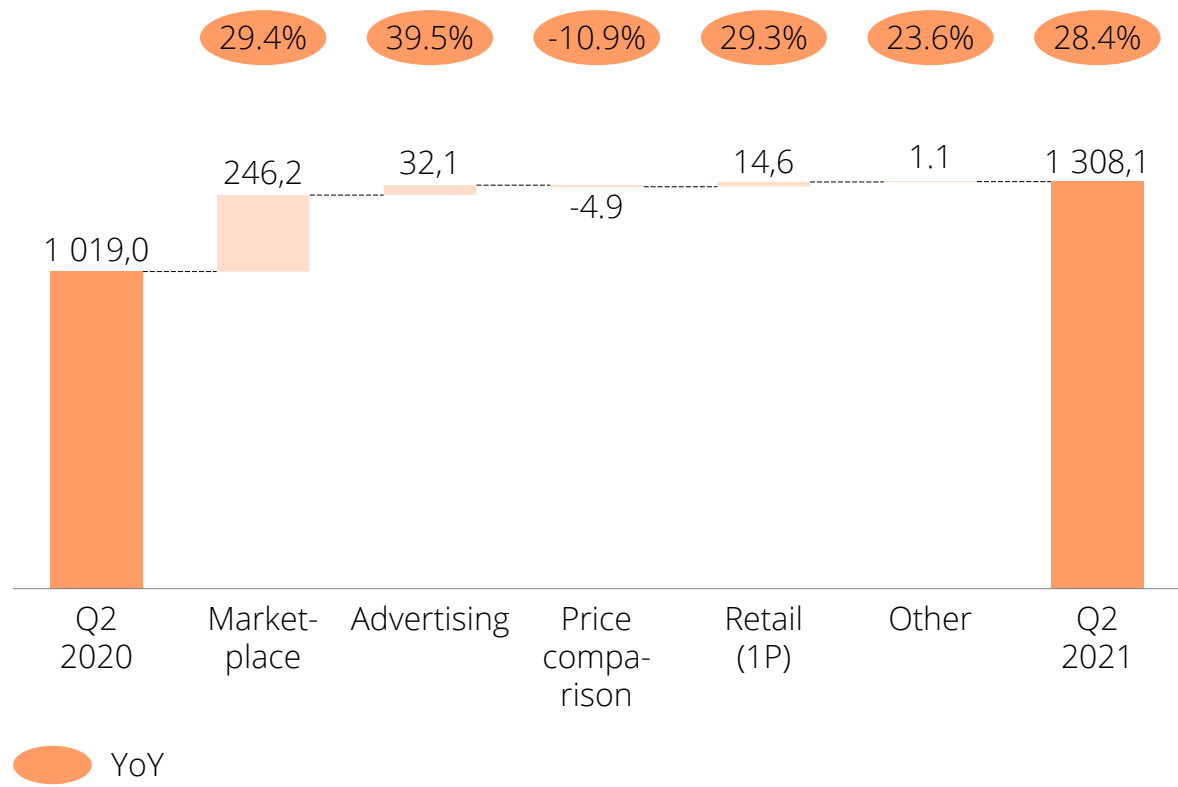
- Marketplace¹
- Advertising²
- Price comparison (Ceneo)
- Other³

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

2 Co-financing and delivery monetization drive 153 bps YoY rise in Take Rate. Advertising revenue growing 39.5% YoY

Revenue Bridge

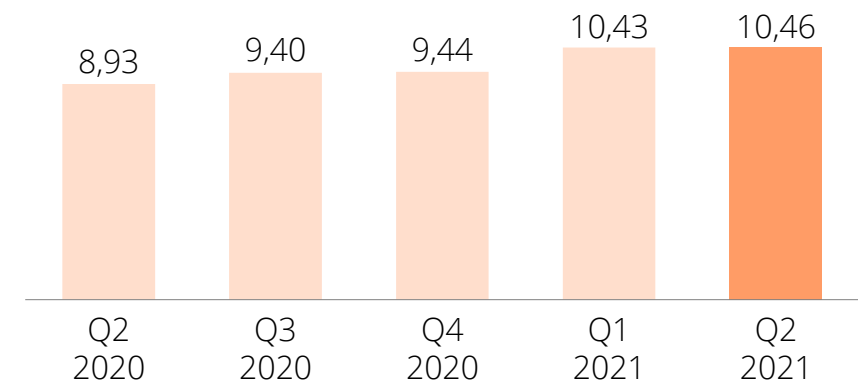
PLN m



Take Rate¹

%

- Strong demand for offer promotion offsetting higher investment QoQ in pricing support
- Seasonality, price defect reduction, and pay-for-performance rebates still expected to moderately reduce Take Rate in H2

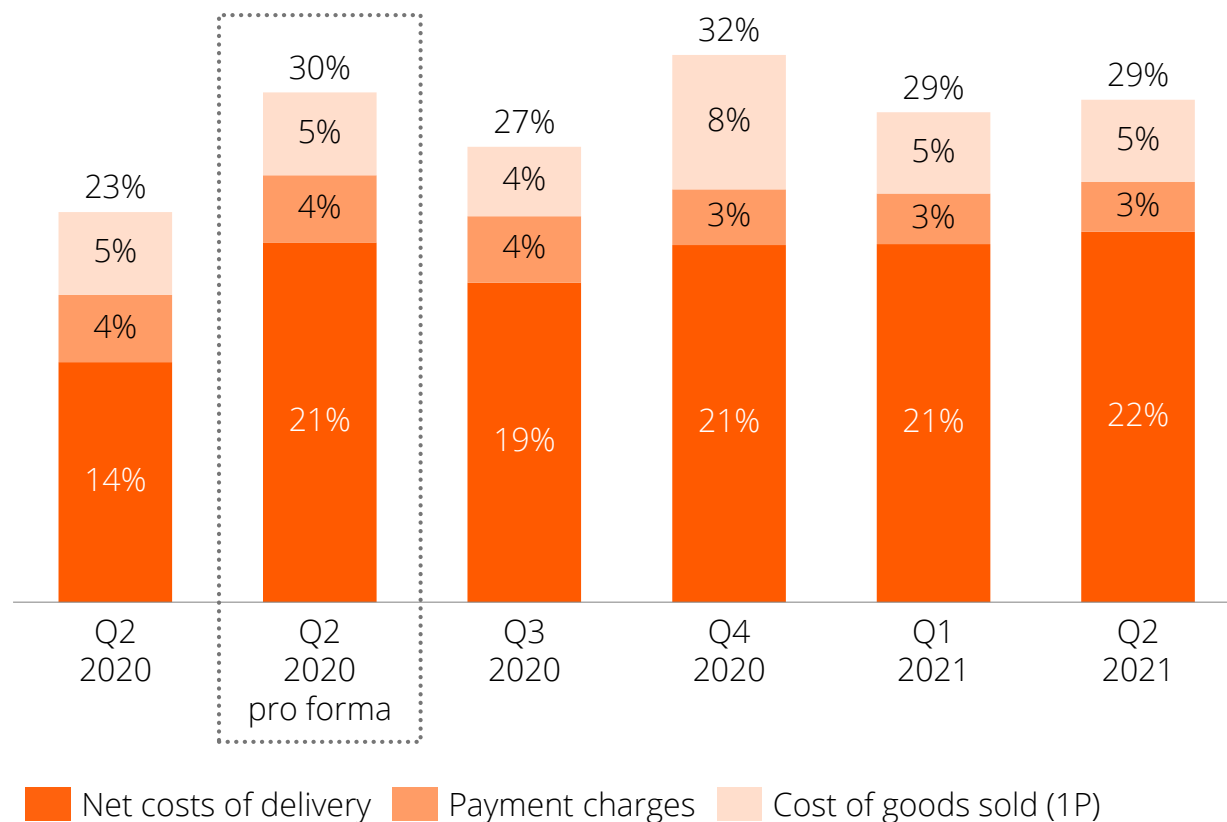


1. Defined as 3P Marketplace Revenue / (GMV - 1P GMV)

Source: Company information

2 Pro forma cost of sales steady as % of revenue despite growth in Smart! penetration

Cost of sales as % revenue

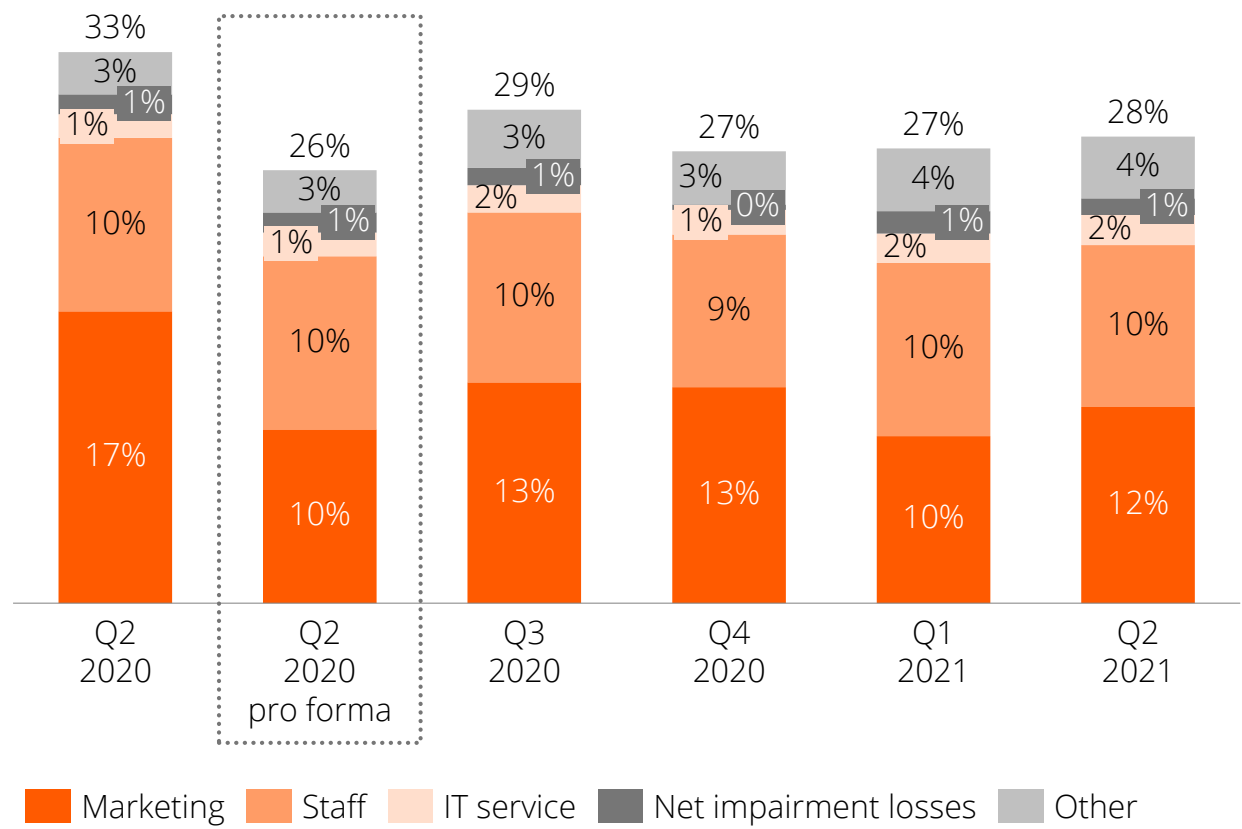


- Net costs of delivery in Q2 2020 exclude PLN 71.7m costs of free Smart!¹ booked in marketing expenses
- Including these marketing costs in the base period, pro forma net delivery expenses rose by 32% YoY and by 1pp share of revenue
- Delivery cost drivers include more total Smart! users, more transactions per user, and a rising share of courier deliveries
- Mix shift towards cheaper payment methods and contracts renegotiation drive payment charges efficiency

1. 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. This offer ran down to zero active free subscriptions by mid-July 2020

2 YoY cost to revenue decline driven largely by free Smart! costs in the base period and operating leverage. Continuing underlying strong investment in future growth

SG&A as % revenue¹

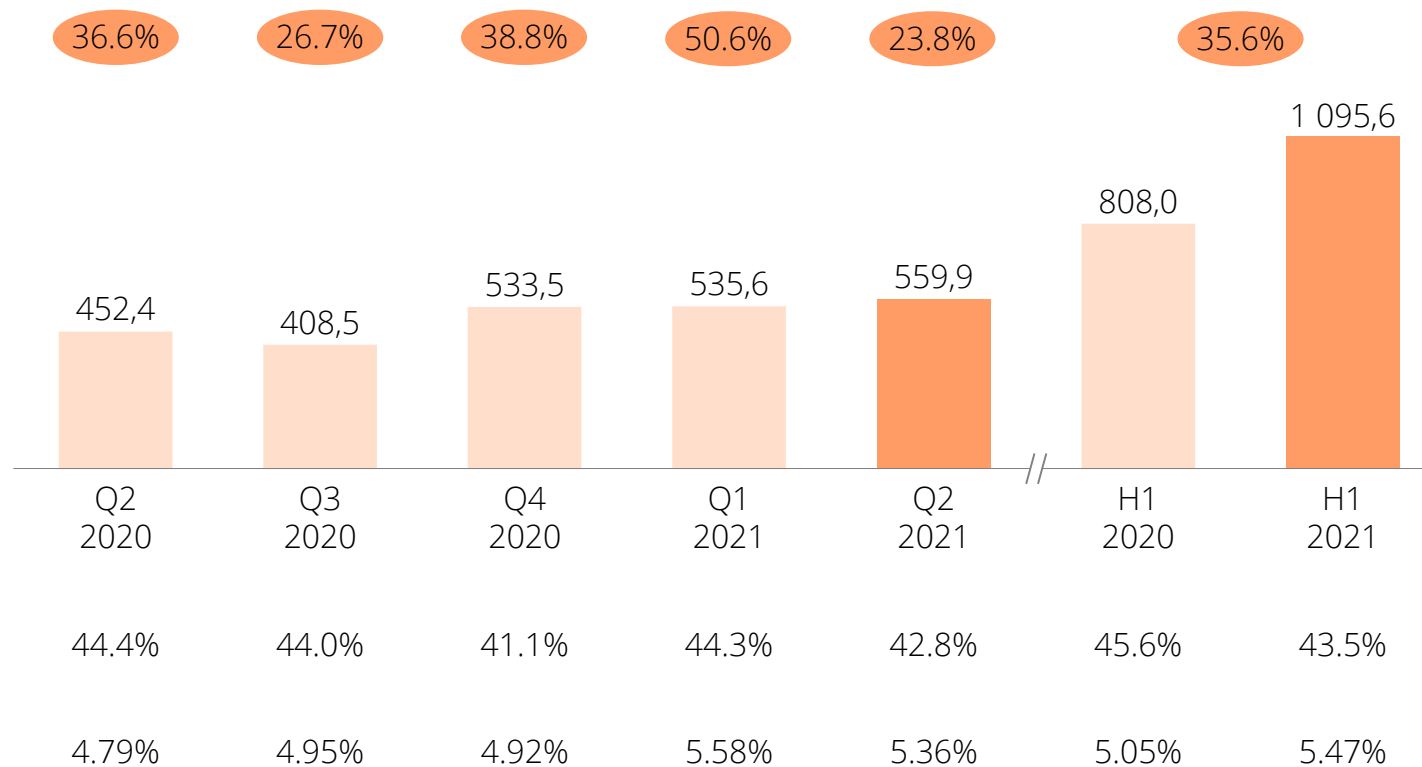


- 5.0pp YoY decline in SG&A costs as % of revenue driven largely by PLN 71.7m of delivery costs associated with free Smart!² and included in marketing expenses in the base period. In addition high revenue growth drives operating leverage
- Marketing PPC spend up by 50% YoY with high ROI strongly supporting GMV performance
- Headcount up by 29.1% to drive accelerated 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. This offer ran down to zero active free subscriptions by mid-July 2020

2 Adjusted EBITDA at PLN 559.9m in Q2 2021, up by 23.8% YoY

Adjusted EBITDA¹
PLN m



% Margin

44.4% 44.0% 41.1% 44.3% 42.8% 45.6% 43.5%

% GMV²

4.79% 4.95% 4.92% 5.58% 5.36% 5.05% 5.47%

 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 nearly doubling YoY in H1 2021

Reconciliation of Adjusted EBITDA [PLN m]	H1 2020	H1 2021	%	Q2 2020	Q2 2021	%
Adjusted EBITDA	808.0	1,095.6	35.6%	452.4	559.9	23.8%
Monitoring costs	(1.7)	-	-100.0%	(1.0)	-	-100.0%
Regulatory proceedings costs	(2.0)	(0.5)	-72.0%	(0.8)	(0.2)	-76.8%
Group restructuring and development costs	(2.7)	(8.3)	208.0%	(2.7)	(6.3)	134.5%
Donations to various public benefit organisations	(3.7)	(2.3)	-36.6%	(3.7)	0.1	-104.1%
Bonus for employees and funds spent on sanitary protection of employees	(2.5)	(0.6)	-76.4%	(2.5)	(0.3)	-86.6%
1 Allegro Incentive Plan	-	(8.7)	n/a	-	(5.7)	n/a
2 Management Investment Plan	(6.9)	-	-100.0%	(3.4)	-	-100.0%
EBITDA	788.6	1,075.0	36.3%	438.4	547.6	24.9%
Amortisation and Depreciation	(228.2)	(247.1)	8.3%	(114.0)	(125.8)	10.4%
Amortisation	(197.4)	(210.1)	6.5%	(97.7)	(105.6)	8.1%
Depreciation	(30.8)	(36.9)	19.8%	(16.3)	(20.2)	23.9%
Operating profit	560.4	828.0	47.8%	324.4	421.8	30.0%
3 Net Financial result	(183.7)	(102.1)	-44.4%	(85.8)	(51.1)	-40.4%
Profit before Income tax	376.7	725.8	92.7%	238.6	370.7	55.3%
Income tax expenses	(87.0)	(160.3)	84.2%	(53.6)	(74.8)	39.6%
Net Profit	289.7	565.5	95.2%	185.0	295.9	59.9%

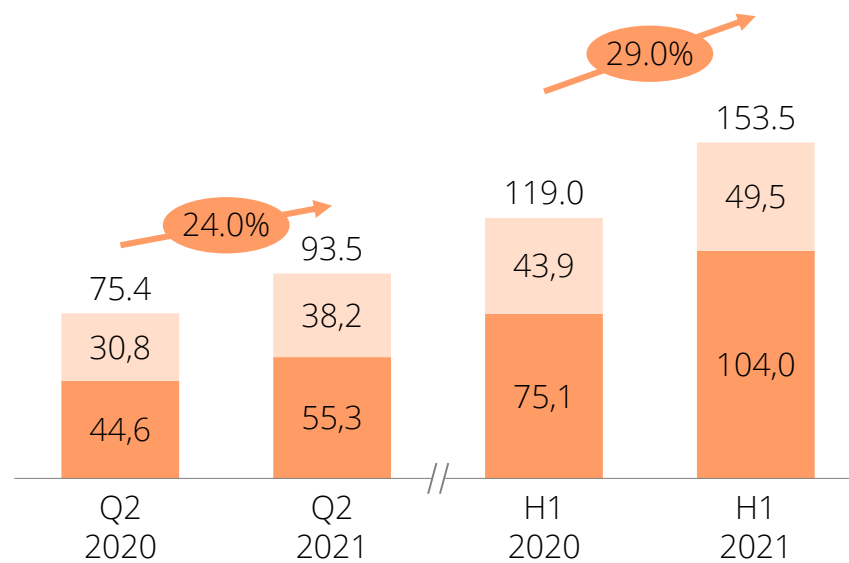
- 1 Share based compensation costs accrued in Q2 2021 in relation to April AIP¹ grant
- 2 Accrued share based compensation costs of the previous Management Investment Plan; fully settled in shares at IPO
- 3 Net financial expenses down 40% YoY in Q2 due to leverage reduction and refinancing

1. AIP – Allegro Incentive Plan

Source: Company information

2 Capex grew by 24.0% YoY reaching 7.1% of Q2 revenue

Capital expenditures¹ by type PLN m



- Capitalized development costs from platform improvements still the main capex driver in Q2
- Fulfillment center full-scale fit-out lagged into Q3 as WMS³ development is on the critical path to launch service
- Late new office handover delayed fit-out costs into H2 and partly 2022
- Part of IT equipment leased vs earlier purchase assumption
- Significant APMs deliveries and installation ramp up underway in Q3

% cash conversion²	83.3%	83.3%	85.3%	86.0%
% of revenue	7.4%	7.1%	6.7%	6.1%

● 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. WMS – Warehouse Management System

Source: Company information

2 Further organic deleveraging to below 2x

[PLN m]	Jun-20	Dec-20	Jun-21
Adjusted EBITDA LTM	1,515	1,750	2,038
Borrowings at amortized cost	6,170	5,438	5,446
Lease liabilities	79	73	162
Less Cash	-575	-1,185	-1,571
= Net Debt	5,673	4,326	4,038
Leverage	3.75x	2.47x	1.98x
Equity	6,924	8,091	8,738
Net debt to Equity	82%	54%	46%

- H2 interest rate set to fall by 50bps translating to PLN 11m lower interest payments in H2 as a result of bringing leverage down below 2x as at H1 2021
- Adjusted margin will trigger ca. PLN 100m non-cash financial gains on revaluation of borrowings at amortized cost to be recognized in Q3
- Work progressing on dedicated funding sources for Allegro Pay
- PLN bonds under consideration for long-term funding diversification

2 Maintaining raised 2021 expectations from the Q1 update with marginally lower capex

	2020 Actual	FY 2021 Q1 2021 report		FY 2021 Update	Comments
GMV	54% YoY growth	High teens-Low 20s% YoY growth	➔	Unchanged	<ul style="list-style-type: none"> Growth accelerating from Q2 low point in H2
Revenue	54% YoY growth	Low 30s% YoY growth	➔	Unchanged	<ul style="list-style-type: none"> Take Rate seasonally lower in H2
Adjusted EBITDA¹	31% YoY growth	High teens-Low 20s% YoY growth	➔	Unchanged	<ul style="list-style-type: none"> Increased Smart! penetration and SG&A ramp-up to support innovation roadmap in H2 and beyond
Capex	PLN 230m	PLN 560-600m		PLN 475-525m	<ul style="list-style-type: none"> IT cash capex savings from leases Office fit-out delay

- Takes account of expected intensification of competition as 2021 progresses
- Downside not included if any of several digital 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

Improvement across the consumer facing inputs drives 10.6% GMV growth vs toughest comparative quarter

Higher Take Rate and growing advertising drive revenue up 28% YoY with Adjusted EBITDA rising 24%

Allegro Pay scale-up on track

Progressing on the delivery experience projects to drive faster delivery and additional logistics revenues

Limited impact from changes in competitive landscape

Investing in people to deliver on ambitious innovation roadmap

Guidance maintained as GMV growth accelerates in Q3 and we reinvest for future growth



4 Questions & Answers



Thank you